CANADA AND THE WORLD WHEAT OUTLOOK

Largest Circulation of Any Canadian Financial Paper

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The Nation's Business

The Problem of Radio Nationalization vs. Private Operation
Need for Study by Business Men

WHO SHALL CONTROL RADIO?

THE proposal to nationalize radio broadcasting is being vigorously pressed at this time, an influential national committee having been formed to urge the Dominion government to adopt the suggestions of the commission headed by Sir John Aird. The commission proposed taking radio broadcasting out of private hands through the government purchase of all existing stations. In turn, the British system of national broadcasting control would be adopted, the government putting up the money to build a chain of stations more powerful than any now operating in Canada and so spotted on the map as to blanket the country with sound. In brief, private ownership of competitive radio broadcasting stations in Canada would disappear in favor of public monopoly. Costs would be met by the sale of advertising time on the individual stations and on the national chain and by means of enlarged license fees for radio owners.

* * *

THERE is something paternalistic in the proposals and frankly so, many citizens who are usually opposed to paternalism being advocates of government radio. The feeling is that the government, operating a monopoly, could give radio listeners better service and better programmes and give them more Canadianized programmes than private companies operating stations. Probably most of those who have lent their names to the support of the proposal have done so because they have been sincerely impressed with the argument that Canadian national integrity and Canadian business is being threatened by growing American control of Canadian radio, because "the Canadian air is becoming as American as the theatre and motion picture."

This threat to Canadian national integrity is seen in two directions. The first is in the re-broadcasting on Canadian stations of programmes originating in American studios. This, it is argued, tends to Americanize to some degree the limited number of channels available to Canada. More important, however, is the influence of the programmes broadcast by American stations and picked up by Canadian radio fans. Science has not devised a tariff wall or embargo to prevent these programmes crossing the international boundary into Canada and so the sponsors of international broadcasting feel that an effective manner of meeting the competition is to establish an agency in Canada that will give the Canadian listener so much better programmes than those coming in from the American air that there will be no temptation for the Canadian to twist the dial in favor of American stations.

Right now, at various times of the week, Canadian programmes on some of our larger stations are so much better than anything coming in from across the line that they get preference from most Canadian listeners-in anyway, but this is not true all of the time and it is not true in some isolated parts of Canada. Probably the backers of the Aird plan are not unmindful of the fact, too, that signals from 50,000-watt stations in Canada would be so powerful that owners of even modern radio sets would be forced to listen to their home stations in preference to the imported programmes, whether they liked it or not.

* * *

TO AVOID the implication of political management or control of radio it is proposed that radio shall be managed by a non-political body representing the different provinces.

Newspaper comment at the moment and the list of names on the national council of the Canadian Radio League, which is sponsoring the Aird report, may suggest either that public opinion, to the extent that it has crystallized, is favorable to the nationalized system or that the Aird report sponsors are better propagandists than those who may have something to say on the other side of the question. Certain it is that little general protest against the plan has been heard publicly, although the opposition, where noticed, is keen. The Financial Post has discussed the plan with manufacturers of radio sets, and with some of the more important corporations broadcasting programmes in Canada—both of which groups that would carry on under the new system much as they carry on now—and it finds that most of these people are doubtful of the effect of nationalized broadcasting but they are unwilling to make a public pronouncement of their viewpoint because they feel that the Canadian people should decide the matter for themselves. This is unfortunate as an informed discussion of all phases of the proposal would be very valuable no matter what decision is finally taken. Nationalized broadcasting may be a logical and necessary development. To assume that the studies of the Aird commission demonstrate that beyond a doubt is going too far. The Aird commission merely provided the basis for public discussion.

* * *

THERE are certain points that might well be considered by those who are striving to arrive at an intelligent understanding of the radio situation in order to decide for themselves what Canada really needs. These points are additional to those brought out in the literature of the Canadian Radio League, which is

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NESBITT MAKES DEFINITE OFFER TO WINNIPEG

Will Pay $30,000,000 for Civic Power System

SITUATION UNSOUND

Would Transfer Property to Winnipeg Electric, Which is in Need of Help

From Our Own Correspondent

MONTREAL.—Definite offer of $30,000,000, subject to certain conditions, has been made by Nesbitt, Thomson & Co. for Winnipeg's civic hydro-electric system, which comprises one power plant, another in course of construction, transmission and distribution lines, the whole having an approximate value of $21,000,000.

For some time past the situation surrounding Winnipeg Electric Co., for which Nesbitt, Thomson and Co. act as fiscal agents, has been unsatisfactory. This has been due largely to losses experienced in the operation of tramway lines, and, to a lesser extent, by competition from the civic system in the power and light field.

Negotiations were started early last year with a view to relieving the burden of the tramways, through the institution of higher fares. A temporary order was given by the Public Utility Commission increasing the tariff, but this has not yet been made permanent.

Anderson Issues Ultimatum

The expected benefits arising from the increased fares have not materialized. Edward Anderson, president of Winnipeg Electric, has informed the Civic Council Transportation Committee that unless the city relieves the company's street railway system of some of its taxation burden, a radical cut in street car service would be made and several lines abandoned entirely. Too-heavy taxation, he says, was responsible for the company's position, though he mentioned that for the first five days of this month revenue had dropped $1,600 a day as compared with the same period of last year.

Winnipeg Electric's tramway franchise is renewable in 1932. Twelve months' notice has to be given by either party if a change is contemplated. Failing to renew the franchise, the city is obligated to take over the street railway property at a fair valuation.

Link Up Properties

When negotiations were going on last year, A. J. Nesbitt, who was acting on behalf of the company, said that either the city should take over Winnipeg Electric in its entirety or sell the municipal power system to Winnipeg Electric. At the time a price of $30,000,000 was mentioned for the civic property, but this was not a firm offer.

Now A. J. Nesbitt has undertaken that his company will pay the city $30,000,000 for the plant. In favor of this proposition, he draws attention to the desirability of consolidating the two systems, elimination of unnecessary and costly competition. Further through the utility activities of the municipality being under one control, it is possible to carry out a stronger and better directed campaign for new industries, a phase of promotion work in which the city is keenly interested.

Current Earnings Off

Winnipeg Electric's position in the past few months has not been too encouraging. Due to the losses on tramways and shortage of power recently, gross earnings for the ten months ended October last totalled $5,179,895, a decrease of $223,961 from the figure reported for the corresponding period of 1929. At the same time net earnings declined from $1,584,140 to $1,384,545.

Early in December the management announced that the dividend ordinarily payable on Feb. 1, 1931, would be passed. Further it stated that when the railway utility was given adequate and necessary relief and when general conditions improve, dividends will again be resumed.

Manitoba Power Acts

Meanwhile the company's principal revenue producing subsidiary, Manitoba Power Co., in which it owns over 80 per cent of the150,000 shares of common stock outstanding, was also experiencing difficulties due to a shortage of water. While net revenue in the ten months ended October last was slightly ahead of

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Tamblyn Sales Larger in 1930 Profits Lower

Annual sales of G. Tamblyn for 1930 were $180,000 above those of the preceding year when sales amounted to $3,490,381 and for 1931 the company sets an objective of $4,000,000 total sales in its fifty stores in Toronto and Western Ontario. Net earnings of $184,312 in 1929 are a little larger than the total expected to be shown by the annual report for 1930 when it appears toward the end of February.

In 1931 the seven stores opened in 1930, are expected to show more profitable returns, and new stores will also be added in 1931. The company earned $3.28 a share in 1928 and $4.91 a share in 1929 on the no par value common stock. It will be less for 1930.

Early in 1930 a substantial interest in G. Tamblyn, Ltd., was obtained by Chain Store Fund, Inc., sponsored by Childs, Jeffries & Co., of New York.

Canada's Place in Wheat

A few weeks ago The Financial Post published an 8,000-word summary of the newsprint situation, which has since drawn commendation from the leading executives of the industry, from bankers and from investors.

Another great economic problem of Canada is that of wheat. Business men are discussing it and seeking for authoritative facts and sound views. In the article below an attempt is made to survey the whole world wheat situation and Canada's relationship to it. While statistical material has been reduced to a minimum, the essential data are included.

Those who read in the May 8, 1930, issue of The Financial Post the striking 15,000-word survey of "Canada and the World Wheat Situation" will find this article an equally notable follow-up, bringing both facts and opinions up-to-date. Much of the information contained in the previous article would be valuable in any study of the article below. Readers may obtain a bound reprint of the May 8 article for 25 cents.

West Can Compete Against All Nations In Growing Wheat

But to Do So Must Cut Costs and Prepare to Sell in Free, Open Markets of World Without Artificial Props

WORLD SUPPLIES, OUTPUT BOTH EXCESSIVE

Nevertheless, After Present Period of Low Prices is Eased, Wheat Should Sell at Figure to Yield Profit to Farmers of Canada—Complete Summary of Canada and World Wheat

SUMMARY OF WHEAT SITUATION

World Wheat Supplies at present are excessive, and the only way to get them used up is by a period of low prices, increasing consumption of wheat for both food and feed.

World Wheat Production is in excess of world needs, and the balance can only be restored by a period of prices low enough to force a considerable acreage out of wheat production.

Canada's natural advantages should be sufficient to enable farmers in this country to maintain wheat production at prices which will force farmers elsewhere out of wheat.

Open competition in open markets, free from artificial restraints and control, offers the only hope of disposing of all the wheat we have to sell.

Prices, while bound to be low until corrections in the present situation are brought about, may thereafter be on a reasonably satisfactory basis.

Efforts of Canadian farmers must, and doubtless will, be devoted to making production efficient and economical enough to enable them to carry on under low prices for a time. The essential problem is one, not of organization, but of individual farm management.

Wheat constitutes the biggest single item in Canada's current economic problem. Like the rest of the world, Canada would undoubtedly be having troubles to think about, even without the wheat problem, but it is not too much to say that if all were well with wheat Canada would have been riding through the economic storm in a much more comfortable fashion. It is important, therefore, to examine into the wheat situation to note what has been and is wrong with it, and to estimate the prospects for improvement.

Major Item in Canada's Export Trade

The following figures indicate both the high percentage of Canada's export trade which is furnished by wheat, and the rapid growth of the trade in wheat in recent years. The figures are for the fiscal years ending March 31, and should not be confused with those for the crop years, which will be more conveniently employed in later parts of this review:

Year	Total Value of all Canada's Expts.	Val. of expts. of wheat & wheat flour
1901	$ 177,431,386	$ 10,887,165
1906	235,483,956	39,838,216
1911	274,316,553	59,375,924
1916	741,610,638	208,663,489
1921	1,189,163,701	377,472,628
1926	1,315,355,791	434,051,986
1927	1,252,157,506	421,815,274
1928	1,228,207,606	411,996,452
1929	1,363,586,672	493,642,105

Essentially an Export Product

Figures for exports have been given a first place because of the primary fact that Canadian wheat production is essentially for export. Our consumption of wheat in Canada is on a per capita basis fairly large as compared with other countries, but 50,000,000 bushels a year would comfortably take care of the flour needs of Canada and if we had no export trade at all in wheat an annual production of 65,000,000 to 70,000,000 bushels would take care of all the needs of the country for food, seed, and feed. Our domestic consumption actually runs about 115,000,000 bushels, the excess for the figure quoted above being due to additional requirements for seed and extra feeding of wheat due to the production of surpluses of low grade wheat. Outside of the prairie provinces the rest of Canada only produces from 20,000,000 to 25,000,000 bushels of wheat. If we were not in the business of exporting wheat the Province of Manitoba alone could supply all the additional wheat that is used in Canada and there would have been neither need nor opportunity for the agricultural development that has taken place of the Provinces of Saskatchewan and Alberta. The vast development that has taken place in these two provinces, the net-work of railways that has been established, the cities that have grown up and the trade of the rest of Canada with those two provinces is mainly based upon the growing of wheat for export.

Export Situation Based On Conditions in World

Since our wheat production is primarily upon an export basis, it is in world conditions that we must look for the forces that affect the prosperity of Canadian wheat-growing and Canadian business that is based on wheat. But before examining them it is worth noting that besides Canada there are only two other countries in the world essentially on the same basis with respect to wheat. These are Australia and the Argentine, in both of which wheat production is carried on primarily for world trade. The other exporting countries, and this applies as well to Russia and to the United States with large available supplies, as well as to smaller countries, produce

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Hunts Sales Total $1,130,427 in 1930

Sales by Hunt's, Ltd., in December are reported at $110,280, bringing the total for the year 1930 to $1,130,427 or but 1.66 per cent below the total of $1,149,455 shown for 1929. On the basis of sales the company has just finished the second largest year in its history. Sales in 1928 were $1,025,000.

December sales were 13.22 per cent below the $90,441 reported in the corresponding month of 1929. Declines in sales were registered in each of the last six months of 1930 as compared with 1929 figures, while increases were shown in five earlier months.

Peak sales were made in April with $105,508 and May showed returns of $102,780. These totals exceed returns from any previous month in the company's history.

David et Frere Earns Dividend

From Our Own Correspondent

MONTREAL.—Sales of David et Frère, biscuit manufacturers, in 1930 were higher than those of 1929, but earnings were slightly lower. It is expected, nevertheless, that the annual report which will be available shortly will show dividends on the "A" shares paid at the rate of $2.25 a share, earned twice over.

During the past year the company spent substantial sums on plant additions and improvements without recurrence to financing. Liquid position of the company has been well maintained and further machinery will be installed in 1931.

Profits should compare favorably with those of 1929. In that year net earnings were $120,642 as against dividend requirements of $51,570 on the class "A" shares. This was the equivalent of $5.25 a share. After deduction of dividends there remained a sum equal to $2.25 a share on the "B" stock.

Working capital at the end of 1929 was $264,863 with current assets of $269,285 and current liabilities of $4,422. It is understood current assets at the end of 1930 totalled over $260,000 and current liabilities showed a slight increase as compared with those of the preceding year.

Capitalization of David et Frère consists of 23,000 shares of "A" and 23,000 shares of "B" stock both without par value. The "B" shares are listed on the Montreal Curb market and are currently quoted around 5.

FOUR PROJECTS OF STIMSONS NOW BANKRUPT

Involuntary Petitions Filed Against Two Others

CLARKSON IN CHARGE

Liabilities Run Into Several Millions—Shareholders Number Into Thousands

Voluntary assignment in bankruptcy was made on behalf of Stimson's Canadian Development Co., National Debenture Corp., Stimson Building & Investment Corp. and Toronto Bond Exchange at Osgoode Hall, Toronto, on January 14. G. T. Clarkson was appointed custodian. Petition has also been made that G. A. Stimson & Co. and Commerce & Transportation Building Ltd. be adjudged bankrupt.

Initial meeting of creditors will be held at Osgoode Hall as soon as the custodian can prepare a statement of assets and liabilities. No formal statement was filed with the assignment papers but assets of the four companies are largely composed of debentures and stocks of the various Stimson enterprises. The total nominal assets are as follows: Stimson Canadian Development Ltd., $750; National Debenture Corp., $1,000,000; Stimson Building & Investment Ltd., $3,636,787 and Toronto Bond Exchange, $320,000.

Many Investors Suffer

Included in the $3,636,787 shown as assets of Stimson Building & Development Ltd. is $1,480,310 of preferred stock and $49,290 of common stock of Commerce & Transportation Building and $1,299,500 of debentures and $740,339 in common stock of Stimson's Canadian Development Co. Creditors' claims total $1,610,750 of which $571,057 is claimed by G. A. Stimson & Co. Some 293 holders of 7 per cent debentures have claims of $1,005,600 while debenture interest in arrears amounts to $34,093.

Creditors claims on National Debenture Corp. are given at $976,263 of which 555 sundry holders of the 6 per cent debentures amount to $920,100 and 38 holders of 5½ per cent collateral trust bonds have claims of $36,700. In the case of Stimson's Canadian Development Co. creditors' claims total $1,463,653 of which $1,288,000 is held by some 839 holders of 7 per cent debentures and $81,453 is claimed by G. A. Stimson & Co. Toronto Bond Exchange creditors have claims of $381,585 of which $247,877 is on account of debentures outstanding. G. A. Stimson & Co. has a claim for $85,089. The amount shown as owing to secured creditors is negligible and debenture holders in each of the four companies would appear to have first claim to what assets are available.

The voluntary assignment follows closely on petitions against G. A. Stimson & Co. and Commerce & Transportation Building which were filed on Jan. 13. In the case of the former company, it is claimed that $17,237 is owing Bertram K. Johnston, Toronto, for which he holds no security. It is also claimed that G. A. Stimson & Co. has ceased to meet liabilities coming due and that the company has given notice to some of its creditors that it has suspended payment of its debts. In the case of Commerce & Transportation Building it is claimed that $1,825 is owing Building Repairs & Alterations, Ltd. No hearing has as yet been made on these petitions.

There are thousands of shareholders throughout Canada.

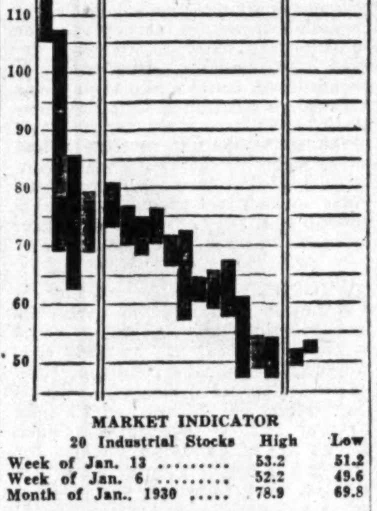
Dominion Bridge Denies Mead-Morrison Co. Deal

From Our Own Correspondent

MONTREAL. — Reports that Dominion Bridge Co. had acquired Canadian Mead-Morrison Co., are officially denied.

It was reported that Dominion Bridge had paid $1,500,000 for the Mead-Morrison firm, which operates a plant at Welland for the manufacture of coal handling and general conveyor machinery.

Stock Market



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Jan. 13	53.2	51.2
Week of Jan. 6	52.2	49.6
Month of Jan., 1930	78.9	69.8
8 Bank Stocks		
Week of Jan. 13	246	242
Week of Jan. 6	242	238
Month of Jan., 1930	273	255
10 Public Utilities		
Week of Jan. 13	81	79
Week of Jan. 6	81	77
Month of Jan., 1930	101	94

Co-ordination Urged As Remedy for Millers

Over Productive Capacity of Canadian Flour Mills Makes Industry Vulnerable to Fluctuations in Export Trade

From Our Own Correspondent

MONTREAL.—While the situation in the milling industry has shown considerable improvement during the current crop year, in comparison with the same period a year ago, there is a growing opinion that a sustained betterment in operations must eventually come from within the industry itself, through co-ordination and pooling of orders.

Observers see in the present milling situation elements which find an analogy in the newsprint industry. In this respect, over capacity is quoted, while expansion in the past few years, through widespread invasion of the baking field, has been on an extensive scale.

Over Production Apparent

Though exports, upon which profitable operations hinge, have shown gains in the past five months, the milling industry is still confronted with a productive capacity of such dimensions that plant operations are conducted at a rate which makes for poor profits. To add to the keen competition which exists in export markets, Russian offerings of flour have created a definite disturbance.

Russian flour has undersold Canadian offerings on occasions in Great Britain in the past month, a situation which has found reflection in December exports. These totalled 601,894 barrels as compared with 604,979 barrels in the previous year.

Total Exports Improve

Exports for the five months ended December, 1930, however, showed a decided increase, amounting to 3,569,438 barrels as against 2,832,683 barrels in the same period in the preceding year. The betterment has brought some relief from the high operating expenses which attend a restricted output and subsequent low rate of plant operations.

Over capacity has confronted the industry for many years and the problem is of vital importance today. Only in the war years was the burden which this handicap places on earnings lessened to reasonable proportions. Today it is more vividly in the minds of millers than ever.

Recommend Consolidation

One remedy put forward by those who have followed the situation closely might alleviate the present difficulty to some extent. They see in co-ordination an eventual stabilization of operations and earnings following a pooling of orders and a definite co-ordination of effort. Whether any steps will be taken along these lines remains to be seen; it would appear that a continuance of the present situation may lead to some such action.

Last year constituted what was probably the most difficult period the millers have ever been called upon to face. The conditions have been analyzed in detail; it is sufficient to say that the disparity between Canadian wheat prices and those of other countries in the early part of 1930 practically precluded the Canadian miller from entering the export market on a competitive basis. Then came the drastic fall in wheat prices to unprecedented levels with its consequent effect upon inventories.

Difficulties Accentuated

Though a similar state of affairs is not expected to recur it has served to accentuate the difficulties with which the milling industry is faced.

Production is still far below the point at which profits are earned easily and naturally. The Northwestern miller expreses the opinion that joint action to minimize the evil effects of over production is the most sensible and business-like thing that could be suggested, but it points out that millers are individualists in outlook and methods of trading procedure.

Is Major Industry

Milling is one of Canada's oldest and greatest industries. Through the wide export of Canadian flour, prestige of Canadian wheat and of Canada itself has been enhanced. Canadian brands of flour have established favorable reputations in foreign countries and strong companies, in which there is a wide investment interest, have been built up.

These organizations include Ogilvie Flour Mills, Lake of the Woods Milling Co., Maple Leaf Milling Co. and Western Canada Flour Mills. Earnings of all these companies showed sharp contraction in the last crop year. Following the general decline in stock values, securities of these companies have declined marketwise.

Packers Now Advertise Pacific Coast Salmon

Salmon packers of British Columbia this week began a co-operative advertising campaign to promote the sale of canned salmon in Canada.

This campaign follows test campaigns conducted in a number of key cities, where the results as checked showed a gratifying increase in the sale of Canadian canned fish. The pinks and other cheap varieties, as well as the sockeye, are advertised.

This is the first time in the history of the industry that a real sales effort has had to be made. Heretofore, there has been no difficulty in selling all the salmon that could be caught in Canadian waters.

It is understood that the co-operative campaign will be followed by advertising and promoting the sale of brands produced by B. C. Packers, Ltd., the company in which there is the broadest investment interest of any in the industry.

Alberta Grain Stock Equity Reduced to $10

From Our Own Correspondent

MONTREAL.—Granting of authority to Alberta Pacific Grain Co. to reduce the equity of its common shares from $2,412,354 to $1,000,000 marks another step in the company's efforts to overcome the burden which was placed on its last year by mismanagement. The number of common shares has not been reduced, but they have been given a valuation of $10 a share as compared with a value of $24.12 a share as shown in the balance sheet published at June 30, 1929. There are 80,000 shares of "A" and 20,000 shares of "B" stock of no par value outstanding.

Alberta Pacific Grain now faces the future with a clear cut structure, a new management, and improved prospects for the current year. Arrangements have been made for adequate financing and the movement of grain to markets has been on an improved scale as compared with last year.

Resumption of dividends on the preferred shares is not regarded as a likely occurrence in the near future. The company has issued $2,500,000 of general mortgage bonds which have been pledged with its bankers for current advances, while there is also an issue of $3,119,000 of first mortgage bonds outstanding senior to the preferred.

National Light Output Gains

National Light & Power, Ltd., kw.h. output in November is reported at 2,181,748 as compared with 1,770,035 kw.h. in the corresponding month of 1929. The increase of 411,713 kw.h. amounts to 23.26 per cent. Cumulative total of output for the 11 months ended November 30, 1930, is 21,226,457 kw.h. as compared with 17,151,509 kw.h. in the same period of 1929, an increase of 23.3 per cent.

Winnipeg Building Permits

The total of Greater Winnipeg building permits for the year 1930 amounted to $9,235,457, which includes the cities of Winnipeg and St. Boniface and seven municipalities.

APPOINTMENT OF NIEMEYER AIDS BRAZIL

World Authority to Advise on Agreed Plan of Financial Reconstruction

LESS BORROWING

Brazilian Common and Government Bonds Rose in Anticipation of News

Mounting interest in Brazilian Traction Light & Power Co. common stock and in all bond and other issues of Brazil results partly from the fact that Sir Otto Niemeyer, of the Bank of England, has accepted the Brazilian Government's invitation to be its financial adviser and that this is the result of an agreed arrangement for future financial policy of that country.

Sir Otto Niemeyer's chief function will be to advise on the execution of an agreed plan along four lines:

1st, prompt reconstruction of the Bank of Brazil as an orthodox central bank on independent lines;

2nd, monetary reform and stabilization of exchange;

3rd, maintenance of a budget and publication of periodical budget figures;

4th, limitation of direct or indirect foreign borrowing by governments of Brazil, whether federal or state, or by the Bank of Brazil in accordance with a scheme to be agreed on.

No appointment could be made by the Brazilian Government better designed to awaken confidence in the intentions of the new Government. Sir Otto Niemeyer has just returned from Australia, where he spoke with frank and outright authority as to past over-borrowing and the absolute necessity of balancing budgets by federal and state governments.

He is recognized as one of the world's chief authorities in advising governments as to financial policy. He has been at the Bank of England since 1927, has been a member of the financial committee of the League of Nations since 1922, is a director of the National Bank of Egypt, Anglo-International Bank, Agricultural Mortgage Corp., Banque des Pays de l'Europe (Paris) Credit Anstalt (Vienna) and of Vickers-Armstrong.

Robert Mitchell Holds Good Volume of Orders

From Our Own Correspondent

MONTREAL.—Volume of work in the shops of Robert Mitchell Co. is stated to be satisfactory, according to a letter to shareholders which has gone out over the signature of Allan M. Mitchell, president of the company. In his letter, Mr. Mitchell says in part:

"The annual statement of your company for the year 1930 should be available in about one month's time. While operations for the year will show the effects of a severe drop in commodity prices and of intensified competition, earnings after depreciation should amount to about $2.00 per share, and the balance sheet figures will, I feel sure, meet with everyone's approval. The growing tendency for buyers to favor goods of Canadian manufacture and of foreign capital to establish manufacturing plants in Canada has already shown itself of benefit to the Robert Mitchell Co., Ltd."

DURANT OWNED AND MANAGED BY CANADIANS

Retains Valuable Rights Obtained from Parent Company

TERMINABLE AT WILL

Roy D. Kerby, President, Expects Output in Few Years to Exceed Anything in Past

Durant Motors of Canada, in achieving Canadian control, retains the Canadian rights to manufacture and sell the complete line of Durant passenger cars and Rugby trucks. The participating contract made in 1921, whereby Durant Motors, Inc. of Delaware receives for this valuable privilege the right to 50 per cent of all profits above about eight per cent, will also continue to exist, and though it is a terminable contract on ten days' notice in writing of intention to terminate it, by reason of an agreement made last May, there is no intention of bringing to an end what has been a profitable arrangement to both parties.

In 1930 and 1931 the arrangement will probably prove more profitable to the Canadian company than to Durant of Delaware as it is not likely that in either year the profits will exceed by very much the eight per cent limit, if at all. It has been a profitable contract in 1927, 1928 and 1929, however, to the United States company and would be again when motor production once more turns upward in response to public buying if the contract is not terminated in the meantime.

Because of the wide distribution of stock in Canada this news will be distinctly reassuring to shareholders. Whatever changes have occurred have apparently not affected in any degree the company's plants or organization in Canada. The same management will continue, the excellent dealer organization built up will continue as before and every effort will be made to increase the already high efficiency of the Leaside plant.

Never Stronger Financially

"This is the season of the year when all sorts of reports and rumors can be expected with regard to physical and other changes in motor companies," said Roy D. Kerby, president and general manager Durant Motors of Canada, in answer to questions of a representative of The Financial Post concerning future plans of the company. "All I will say is this: that the company was never in a stronger financial position than it is now; that the control of the company rests in Canada; that the management throughout is by men born and bred in Canada; and that this company will continue to make automobiles by the aid of Canadian labor and, we hope, increasingly for Canadians."

"Is there likely to be an affiliation with some United States manufacturer or will you operate as an independent Canadian manufacturer?" he was asked.

"This company has operated for years as an independent Canadian company, buying the best materials or parts wherever it thought it could get them and it has not been tied down to any one source. There will be no change in that regard."

Operating Profitably

"Recently a United States authority was quoted as saying that a Canadian company could not hope to operate successfully without an annual output of 25,000 cars. What is your opinion on that point?"

"The answer to that," answered Mr. Kerby, "is that for the four years ending December 31, 1929,

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Dom. Coal . . . 20
Dom. Steel . . . 14
De Havilland . . 5
Dom. Bakeries . . 9
Eastern Car . . 20
F. N. Burt . . . 11
Gr. Buffalo Theat. 2
G. A. Stimson . . 1
Gat. Power . . 14
Graphic Pub. . . 9
Ham. Bridge . . 20
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Alongside of the Admiral Beatty Hotel and within one or two blocks of other leading hotels, the new garage is in the motor transportation centre of the city.

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Commercial and Industrial Bankers
Head Office—Windsor, Ontario

Utilities in Edmonton Progress

During the first eleven months of the year, the five civic-owned utilities at Edmonton earned a surplus of $456,637; this figure being an all-time record and an increase of $14,671 over the similar eleven month period of 1929.

Vancouver Shipping Declines

Vancouver's deep sea arrivals during 1930 numbered 1,195 with a total of 4,500,802 net tons, according to a report of the Vancouver Merchants' Exchange. In 1929 Vancouver's arrivals were 1,284 with a tonnage of 4,637,000.

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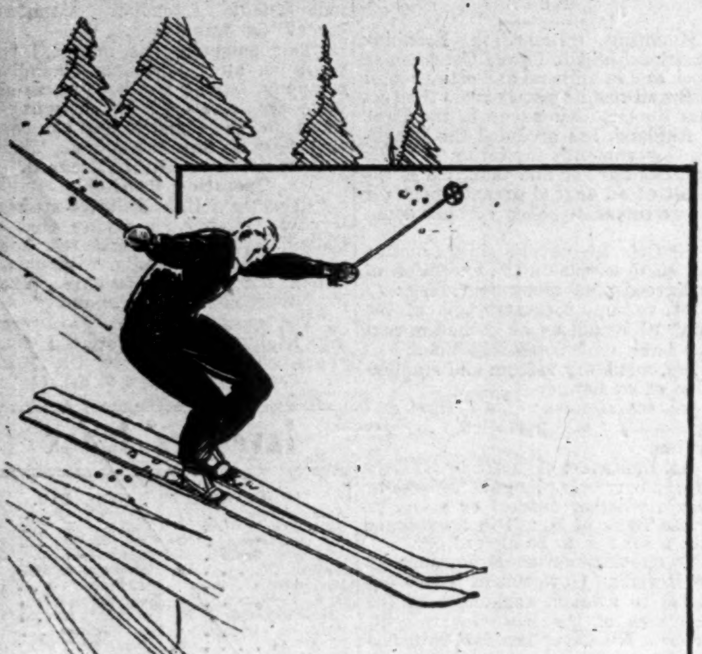

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QUEBEC SURPLUS TOTALS $4,210,230 FOR LAST YEAR

Ordinary Revenue Was $43,585,140; Debt Was Reduced

Quebec had a surplus of ordinary revenue over ordinary expenditure of $4,210,230 in the fiscal year ended June 30, 1930, according to public accounts tabled recently in the legislature. Ordinary receipts amounted to $43,585,140 and expenditures to $39,374,910.

The funded debt stands at $76,735,391, less $8,570,154 in the sinking fund, leaving a balance of $68,165,135, and against this is deducted $14,142,610 of deferred payments of La Banque Canadienne Nationale, leaving a net funded debt of $54,022,526.

Had Temporary Loans

The total of temporary loans and deposits is $9,107,796, including a temporary loan from the Bank of Montreal dated June 23, 1930, for $3,000,000. The balance is made up principally of trust funds, and taxes collected prior to the closing of the books of the province on June 30 last.

The statement of the treasurer of the province pictures the financial situation in condensed form. It shows receipts from all sources of $56,955,442, made up of $43,585,140 of ordinary receipts, $2,449,500 redemption of public debt, $194,564 of capital receipts, $7,726,237 of deposits and current accounts and $3,000,000 of temporary loans.

Debt Redeemed, $4,193,406

The treasurer credits himself with ordinary expenditure of $39,374,910, public charities fund $1,000,000, redemption of public debt $4,193,406, capital expenditure $4,622,181, deposits and current accounts $5,543,346, reimbursements of temporary loans $2,000,000, while to this is to be added $5,334,291 of warrants outstanding on June 30, 1929, making the total $62,068,138, and to be deducted from the total $2,510,640 worth of warrants issued and included in the last fiscal year and unpaid at June 30, 1930, making a grand total of expenditure under all heads of $59,557,495, the balance therefore at June 30, 1930, being $2,005,730. This $2,005,730 is on deposit in a series of chartered banks in the province.

Spent More Than Estimated

The statement of the provincial auditor shows that for the year under review the total of estimates was $33,421,166, being made up of $19,343,445 voted by the House, $10,100,578 which the House must vote, $3,386,903 of supplementary estimates, and $590,238 spent by means of special warrants. There was spent $39,374,910 which was $5,953,744 more than estimates. The department of roads alone took $4,281,168 of this excess, education came next, with an expenditure of $985,174 more than the total of estimates, making expenditure for that department the highest in its history, namely, $4,480,490. The roads department spent $10,931,168 under this heading of ordinary expenditure.

A sum of $1,000,000 was turned over from the net revenue of the Quebec Liquor Commission for the public charities fund, a sum of $500,000 was put aside by special provision for redemption of the public debt, there was redeemed a part of a bond issue amounting to $1,243,906, and another payment for public debt on a loan that matured June 1, and paid out of reserve account, was for $2,449,500.

Under the heading of capital expenditure there was spent $2,945,724 under the Good Roads Act, a sum of $594,518 for the National Museum at Quebec, an additional $550,793 for the Quebec Court House, $247,221 for the vehicular road over the Quebec bridge and other amounts bringing the total under that head to $4,622,181. A temporary loan of $2,000,000 was repaid.

NESBITT MAKES DEFINITE OFFER TO WINNIPEG

(Continued from page 1)

that reported in the same period of 1929, the directors decided about the middle of last month to pass the divided payable on Feb. 1 next.

The passing of the latter dividend makes a substantial difference in Winnipeg Electrics' fiscal position, as Manitoba Power had been paying interim dividends of $1 each—a total of $3 being paid in 1928; $2.50 in 1929; and $2 in 1930.

Need Working Capital

The balance sheet as at Dec. 31, 1929, showed that the company had an adverse working capital position to the extent of $2,099,875. In only two of the last seven years has the company been able to report a net working capital.

It is apparent that immediate steps will have to be taken to strengthen the position of the company. The passing of Manitoba Power's dividend is not considered especially significant, but the parent company's revenues have undoubtedly been affected.

Would Strengthen Position

With control of the Winnipeg civic system, Winnipeg Electric would be in a position to consolidate all the utility activities in the Winnipeg area. Control of the power and light business would be of value, while arrangements could no doubt be made to see that the tramway system was given relief from the present taxation and the fare tariff adjusted.

Winnipeg Electric's common stock is now selling around 14½—the lowest level recorded in the last 30 years. In 1912 the stock touched a high point of 268. During the recent bull market the stock reached 128¾, but has been steadily slipping off ever since. At present the company has outstanding 229,483 shares of no par value. Of this amount, 55,517 is carried in the portfolio of Power Corporation of Canada, which in turn is closely allied with Nesbitt, Thomson, and Co.

Lewis, Higgins and Co. Enter Investment Field

From Our Own Correspondent

MONTREAL. — J. W. Lewis has formed the firm of Lewis, Higgins and Co., investment bankers. Mr. Lewis was with the Bank of Montreal for 22 years, retiring on pension some years ago.

H. W. Higgins, who will be associated with Mr. Lewis in the new firm, was senior partner of Higgins, Morton & Co., former members of the Montreal Curb Market.

Proof of Chinese Pact Needed to Support Hopes

Sir John Aird Expresses Doubts on Future of Orient Cereal Trade — Current Outlook is Poor

Current news on prospects for increased trade between Canada and China serve to dampen somewhat the optimistic outlook engendered by the prospect of a $1,000,000,000 loan. Lacking any official information other than that contained in Prime Minister Bennett's Regina speech, many Canadian business leaders are apparently dubious of the prospects for Canada building up a substantial and satisfactory trade in cereals with China due in part to the unsatisfactory economic conditions that prevail there and also to the fact that China is apparently capable of supplying an increasingly large share of Orient cereal requirements from within its own borders.

Sir John Aird at the annual meeting of the Canadian Bank of Commerce this week, expressed a very definite opinion on this latter point by saying, "I believe that Manchuria and Northern China will become the major sources of supply of foreign wheat and other foods for Japan and adjacent countries," and also that "I am of the firm conviction that Western Canada will find that the Oriental market for its products will be largely curtailed, and that our western agriculturists should consider immediately the question of diversified farming."

Silver is Chief Factor

As to conditions in China at the present time, the latest reports are contained in a despatch from L. M. Cosgrave, Canadian trade commissioner at Shanghai who states that owing to the unprecedented drop in the value of silver all trading in such necessities as wheat, flour and canned goods is being done on a hand-to-mouth basis, with merchants refusing to commit themselves more than a month in advance. All products based on foreign currency cost 100 per cent more than they did a year ago. The dumping of Russian goods is seriously affecting Canadian trade with China.

According to Mr. Cosgrave, the serious economic situation in many foreign countries has caused widespread liquidation of goods intended for export and many commodities have been shipped to China under cost of production; dumping is general and normal trading channels have been affected disastrously. Fair transactions have taken place in Canadian flour and to a lesser extent in Canadian wheat, but the unprecedentedly low prices of Australian grades have for the first time on record placed Australia first as a source of supply.

The sale of herring pack from British Columbia has suffered most, due to its general sale being to the low-class Chinese. The usual buyers are not in the market, though prices are abnormally low. Canadian lumber, on the other hand, shows improvement, owing to active and intelligent salesmanship and god steamer accommodation.

The only official reference to the possibilities of increased trade with China is contained in the speech of R. B. Bennett at Regina, December 30, when he said:

> "Our Minister to Japan, Hon. H. H. Marler is, I hope, at this very hour on his way to China to discuss with the Government of that great country the purchase of millions of bushels of our wheat. Nor will the Government hesitate, if necessary, to assist by providing credit facilities and by other means in its power the establishment of so incalculably valuable a channel of trade."

Unofficial reports from Ottawa published in The Financial Post last week, state that Great Britain, United States and Canada are attempting to underwrite a credit of $1,000,000,000 to be used in stabilizing China's eonomic position, the proceeds of which would be used by the three nations in developing trade with this country.

Spillers Canadian Mill Offered for Sale Soon

Tenders will be received up to January 31, 1931, for the purchase of the property and flour mill of the Spillers Canadian Co., following approval by the courts of Alberta of the application for a foreclosure order by the Royal Trust Co., trustees for the bond-holders. The bondholders are Spillers, Ltd., of London, England, and the purposed action has been protested by preferred shareholders who appealed to the attorney-general of Alberta on the ground that foreclosure proceedings carried through would extinguish their rights in connection with the mill.

The original company, Alberta Flour Mills Co., seemed on the point of failure a number of years ago after $1,400,000 had been raised by the sale of shares. Spillers, Ltd., was appealed to. It took control of the mill, Alberta Flour Mills Co. was liquidated, preferred shareholders being given preferred shares in the new Spillers Canadian Milling Co., while Spillers, Ltd., accepted bonds and common stock for the new money they put into the company. Early hopes have not been realized, and three years ago Spillers, Ltd., stated that if they did not receive interest on their bond holdings foreclosure would be resorted to.

If the trustees are successful in securing a good price for the mill on January 31, the shareholders will be satisfied, according to a statement given to the Calgary Herald by J. J. Frawley, of the attorney-general's department.

"In the event of failure, however, to secure sufficient funds to meet the obligations, it is expected that further action will be taken to protect the heavy investment represented by the shareholders," states the Calgary Herald article in conclusion.

LOBLAW PROFITS SLIGHTLY HIGHER, SALES VOLUME UP

Dollar Total of Sales Lower For 28 Weeks of Fiscal Year

Selling a greater volume of goods at lower prices, Loblaw Groceterias Co. shows for the first 28 weeks of its current fiscal year reduced sales as measured in total dollars but slightly higher profits. The lower prices account for the reduced dollar total of sales while the greater volume accounts for the higher profits.

Sales for the first seven periods of four weeks each to December 13, 1931, were $9,143,515 as compared with $9,814,254 for the corresponding period of the previous year. Profits, however, were $543,777 as against $540,604 in 1929 for the same period.

Sales for the four weeks ending December 13, 1930, were $1,393,601 as against $1,562,767 the preceding year. Profits in this period were $104,189 as against $102,837 for the same four weeks in 1929.

The volume of goods handled, The Financial Post is informed, is continuing to show a good increase over the previous year.

NATION'S BUSINESS

(Continued from page 1)

deserving of careful study. One is the point that the progress that has been made in radio broadcasting in Canada is such as to give considerable promise for the future should the cloud of uncertainty now hanging over the industry be lifted. Such programmes as those sponsored by Canadian Pacific Railway, Canadian National Railways, and Imperial Oil Company are evidence of what private broadcasting can do and is doing. Such programmes have international audiences and carry Canadian messages across the line to American listeners, to some degree Canadianizing Americans. If broadcasters could make their plans with some assurance that any new stations built or new programmes arranged would not shortly be lost in a maze of governmentally-controlled radio, broadcasting would make much rapid progress, possibly enough to satisfy even the most pronounced nationalist in this field.

* * *

ANOTHER point to consider is that it should not be necessary to scrap the whole system of radio to eliminate what are properly considered objectionable features, such as excessive obtrusions of advertising patter, or features which may or may not be objectionable, such as the use of Canadian stations for broadcasts originating in American studios. Any improper use of Canadian privately-owned radio broadcasting stations can be effectively curbed by regulations of the Dominion government, which regulations should, of course, be as simple and as few as possible, in order that radio's proper development should not be choked by bureaucratic interference.

* * *

MUCH is made of the British Broadcasting System's methods of operation but Canadian visitors to Britain who have studied radio in that country differ as to their reactions to the British system and there is by no means unanimity of opinion as to its success.

Moreover, there is an obvious distinction between a group of 35,000,000 people, who can be effectively reached with a single station, and a more scattered group of 10,000,000 people, who can not be properly reached—according to the Aird report—with less than 11 stations, even if seven of them are of the highest power. There is decidedly more justification for monopoly in Britain than in Canada where the field is large enough for competitive stations.

* * *

ANOTHER serious objection is that nationalization of radio broadcasting will merely add another quasi-governmental department of business activity to the many that have been added to the bureaucracy of the country since the war. The spread of paternalism in Canada is one of the real dangers to our democratic institutions and our economic structure and should be resisted by thoughtful citizens.

* * *

IT WILL be seen that nationalization of radio broadcasting is a topic that is deserving of much more intensive study than it has yet had. This need not be considered as a slighting reference to the efforts of the Aird Commission or those of the Canadian Radio League. What is needed is more intensive study of the problem by business men and citizens generally, in order that when the country's policy is adopted it shall have a full measure of support of the public generally and shall be a policy that will, in the long run, be calculated best to advance the interests of the radio industry, to provide the public with the best programmes, and to aid in the development of a national spirit.

It is a subject upon which most people may well remain open-minded for a while until all the points have been brought out on both sides.

DURANT OWNED AND MANAGED BY CANADIANS

(Continued from page 1)

Durant Motors of Canada had profitable operations on less than that output. It earned $1.85 a share in 1928 and $1.28 a share in 1929 on common stock paying 40 cents a share in dividends, and in 1928 its output was 15,656 cars and in 1929 it was 22,052 cars. Naturally there will be a drop for 1930 because there is a drop for the whole industry in that year of business depression."

"What is the lowest output on which a Canadian company, well-managed and financed like yours, can make an operating profit?"

"It can make an operating profit on 7,200 cars a year or 600 cars a month under such conditions as exist at present. These are not normal times. I expect demand in a few years to be at much higher levels than anything yet experienced."

COCKSHUTT PLOW REDUCES DIVIDEND BY 60 PER CENT

New Rate is 15 Cents Quarterly—Maintenance Depends on 1931 Experience

Cockshutt Plow Co. directors have declared a quarterly dividend of 15 cents a share, payable February 31, 1931, to shareholders of record January 15, a reduction of 60 per cent from the payments of 37½ cents a share paid quarterly hitherto.

This reduction has not surprised the financial district where it was expected that the dividend would be passed altogether because of the exceptionally adverse conditions which must be encountered through 1931 by all farm implement companies who are so peculiarly dependent on the purchasing power of farmers. There is a disposition to believe that this action may be a preliminary to further reduction if prices of farm commodities do not show a rise during the course of 1931.

The company has a strong liquid position, and its earnings in the year ending November 30, 1930, of $1.09 a share on the common stock, would allow, if continued, an ample surplus over the new rate of 60 cents annually. The new year, however, has so far continued with wheat and other grains at a lower level than the average of 1930.

The additional tariff protection already afforded will be an advantage not enjoyed through much of the previous year. If it makes up for the drop in purchasing power, the new dividend rate can be maintained.

THEATRE CONTINUES TO SHOW LARGE LOSS

Greater Buffalo Theatres Wrote Common Stock Down to $1

An increase in net operating loss of $6,302 and change of 150,000 shares of common stock of $100 par value to no par value shares are the chief items in the 1930 annual report of Greater Buffalo Theatres, Inc., just issued. Net loss for the year is shown at $18,991 as compared with losses of $12,689 in 1929 and $64,399 in 1928.

In addition to loss on operations there is an item of $8,735 written off to depreciation on refrigeration plant to add to the deficit of $1,426,920 carried forward at the first of the year. The book value of the 150,000 common shares has been written down to $1 and the amount written off has been used to reduce the deficit of the company by $1,499,999. An additional $49,500 has been deducted on account of discount on treasury stock thereby leaving an apparent surplus of $94,853 to be carried forward into 1931.

Cash on hand is $4,702, as compared with $11,298, in 1929, while current liabilities amount to $177,926, slightly up from the $176,976 shown in 1929. As in 1929, current liabilities include notes payable to banks of $170,000. Fixed assets have been reduced to $1,563,182 from $1,599,196 through increase in reserve for depreciation to $344,802. Prepaid expenses amount to $15,769 as against $16,435 in 1929 while goodwill is carried at $1 as in 1929 in which year this item was written down from $1,500,000.

Rent deposits at $12,350, mortgages on real estate of $367,100 and contingent liability of $11,425 remain the same as in 1929. Preferred shares outstanding have been reduced by $66,000 during the year and amount to $920,000. Dividends are in arrears from October 1, 1924. Details of the income and surplus account for the past three years are as follows:

	1930 $	1929 $	1928 $
Net loss for yr. (after depr. of taxes)	18,991	12,689	64,399
Add: Pr. sur.	*1,426,920	*7,594	146,504
Res. for stock†	......	......	71,000
Disc. on treasury shares	49,500	35,000	......
Cost of refrigeration plant**	......	53,678	......
Adjustments	......	4,684	......
Less: Adjust.	......	......	160,699
Goodwill & booking rights	......	1,499,999	......
Depr. refr. plant	8,735	......	......
	*1,405,146	*1,426,920	*7,594

* Deficit. † Reserve for treasury preferred stock. ** Cost of refrigeration plant installed by Shea Operating Corp.

Form New Hydro System

The Nova Scotia Power Commission announces steps having been taken toward the formation of a hydro-electric generating system which, when formed, would be known as the Annapolis Valley System.

Halifax Shipping Maintained

For the year 1930, 1,184 ships entered the Port of Halifax with a gross tonnage of 15,792,207 as compared with 1,179 ships and a gross tonnage of 15,381,582 in 1929.

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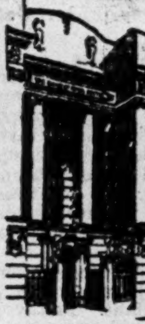

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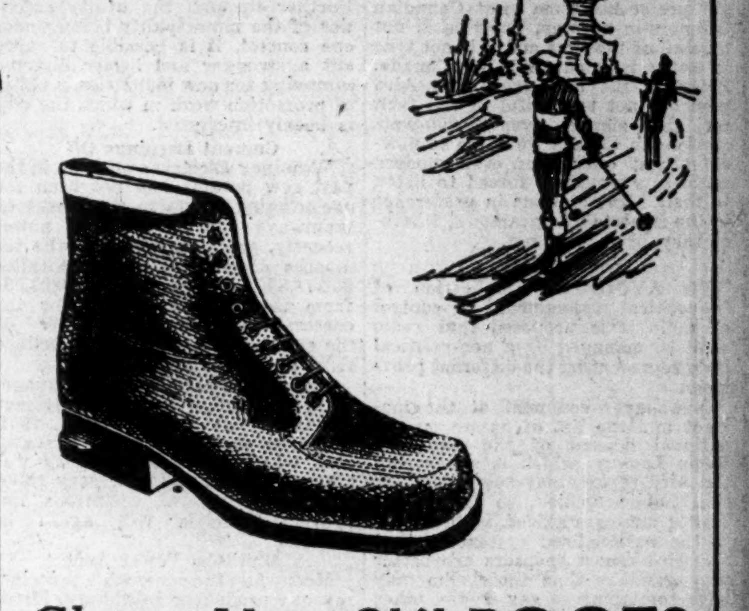
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets $265,000,000.



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Architects Building 6% 1st mortgage bonds.	1945	98.00	6.20%
Balfour Building 6% 1st mortgage bonds.	1943	97.00	6.30%
Gatineau Power Co. 6% debentures.	1941	94.00	6.80%
A. J. Freiman, Limited 6% preferred stock.		85.75	7.00%
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Utilities and Transportation

Water Power Industry's Present Expansion Plans Call For $300,000,000

Over $80,000,000 Spent on Works During 1930—Total Installations Now in Excess of 6,000,000 H.P.—Activity Widespread

From Our Own Correspondent

MONTREAL.—Practically every province in the Dominion was represented in water power developments during 1930, according to the Dominion Water Power Branch of the Department of the Interior.

New installations brought into operation last year aggregated 397,850 h.p., bringing the total for the whole Dominion to 6,108,652 h.p. at the end of the year.

Construction is active, also, on a number of undertakings throughout the country, several of which are of outstanding magnitude and with the completion of these during the next two or three years, more than 1,500,000 h.p. will be added to the Dominion's total.

Plans Under Consideration

Other important projects are under active investigation with development apparently imminent in several cases while plants to be placed in operation or actively under construction are designed for future extension as load conditions warrant.

This large programme of construction involved a possible expenditure of $80,000,000 during the year just past, and will involve as much as $300,000,000 during the next two or three years.

Ontario Led in 1930

During the year Ontario led in installations placed in operation with a total of 136,000 h.p., followed by Quebec with 122,700 h.p.; British Columbia, 71,000; Saskatchewan, 42,000; New Brunswick 21,000; and Nova Scotia, 5,100.

Large undertakings are at present under construction in Quebec, Ontario, Manitoba and British Columbia.

Survey By Areas

The principal activities in each of the provinces are briefly described in the following paragraph:

Hydro-electric construction activities in British Columbia were particularly active throughout 1930. In addition to the installation of 71,000 h.p., other projects were actively prosecuted, involving initial installations totalling over 136,000 h.p., while other large undertakings are in immediate prospect.

B. C. Power Co., through a subsidiary, Vancouver Island Power, completed and placed in operation a new unit of 18,000 h.p. in its Jordan River station. Through a second subsidiary, Western Power Co. of Canada, a new plant was brought into operation at Ruskin, with a first generating unit of 47,000 h.p. Further units will be to this plant when power demands warrant, ultimate installation being 188,000 h.p. A third subsidiary, the Bridge River Power, made good progress on its construction work and it is expected that initial installation of 56,000 h.p. will be ready for operation in 1932. This development is designed to be extended by stages to an ultimate capacity of 600,000 h.p.

West Kootenay Active

During the latter part of the year, West Kootenay Power and Light Co. commenced construction of its fourth development on the Kootenay River. This will be known as the Corra Linn plant, installation comprising three 19,000 h.p. units operating under a head of 53 feet.

The same company, in order to provide for increasing power demands of Consolidated Smelters, is making plans for two other developments, one on the Pend d'Oreille River, the installation to be in the neighborhood of 350,000 h.p. The other project is on the Adam River where investigations are being made with a view to installing about 30,000 h.p.

Powell River Adds Unit

Powell River Co. made good progress with its new hydro-electric undertaking on the Lois River, where a first unit of 24,800 h.p. is being installed. This will be ready for operation about March next.

Northern British Columbia Power Company, one of the Power Corporation units, completed and brought into operation last November, the initial installation of one 6,000 h.p. unit in its development on the Ball River, this power being supplied to Prince Rupert.

Calgary Power Expanding

While no actual developments were undertaken in Alberta during the year, the Calgary Power Co. completed and brought into operation a 132,000 volt transmission line carrying power a distance of 175 miles to Edmonton from its recently-completed Ghost plant on the Bow River.

Churchill Plant Finished

Last year was notable in Saskatchewan as it marked the completion of the first hydro-electric development in the province. At mid-year the Churchill River Power Co. brought into operation its 42,000 h.p. installation at Island Falls on the Churchill River, power being delivered to the Hudson Bay Mining and Smelting Co. at Flin Flon. This power station as constructed, is designed to accommodate three additional units of 14,000 h.p. capacity, which will ultimately bring the installation up to 84,000 h.p.

Work in Manitoba

While no new plants will be brought into operation in Manitoba during the year, considerable progress was made on two hydro-electric undertakings on the Winnipeg River. At the Seven Sisters site, North Western Power Co. has a development under way which will ultimately comprise an installation of six units of 37,500 h.p. each. Three of these units, comprising the initial installation, are being installed and will develop about 40,000 h.p. under partial head.

At Slave Falls, the City of Winnipeg, is engaged in constructing its second development on the Winnipeg River, plant being designed for an ultimate capacity of eight 12,000 h.p. units, two of which will comprise the initial installation. It is expected to have this initial capacity ready for operation about the end of September next.

Ontario Adds to Total

In Ontario, water power development was active throughout the year, resulting in the addition of 136,000 h.p. to the province's total while other undertakings under way involved installations aggregating 442,000 h.p.

The Ontario Hydro-Electric Commission completed and brought into operation, unit number ten of 58,000 h.p. in its Queenston plant on the Niagara River. This brings that plant, the largest single generating station in Canada, to its full designed capacity of 560,000 h.p. The development at Alexander Landing, totalling 54,000 h.p., was completed and brought into operation on October 15th.

Two Big Schemes

At Chats Falls, on the Ottawa River, the Ottawa Valley Power Co. has under way a joint development which will have an initial installation of 224,000 h.p. in eight units.

In Northern Ontario, the Ontario Power Service Corp., Subsidiary of Abitibi Power and Paper, has commenced the development of the Canyon site, where an initial 30,000 h.p. will be installed in five units of 6,000 h.p. each.

Canada Northern Power Corp., controlled by Power Corporation, completed and brought into operation a new development at the Upper Notch on the Montreal River, with an installation of 13,000 h.p. in two units of 6,500 h.p. each.

Algoma District Power Co. added a second unit of 11,000 h.p. to its development at High Fall on the Michipicoten River.

Quebec Records Growth

In Quebec, new water power installations actually placed in operation last year totalled 123,000 h.p., while there are developments of outstanding importance under active construction involving an initial installation of 805,000 h.p., and final installed capacity of 2,013,000 h.p.

The plants under construction are practically all of large capacity, including Beauharnois on the St. Lawrence, Rapid Blanc on the St. Maurice, Chute-à-Caron on the Saguenay, and Chats Falls on the Ottawa.

Shawinigan Enlarges Output

Shawinigan Water and Power Co. completed the installation of another 25,000 h.p. unit at Grand'Mère, while one of 30,000 h.p. is being added at La Gabelle plant to be ready this spring. The company has started the construction of a 240,000 h.p. development at Rapid Blanc, for which an initial installation of 160,000 h.p. will be completed by the end of 1932.

MacLaren-Quebec Power Co. subsidiary of the MacLaren Power and Paper Co., completed the 90,000 h.p. installation of its High Falls plant. The company also proposes to construct another 120,000 h.p. plant, a short distance from the present installation.

Alcoa Plans Extensive

Alcoa Power Co. completed the main dam and installation of its initial plant at Chute à-Caron on the Saguenay River; this initial plant will have an installed capacity of 260,000 h.p. in four units of 65,000 h.p. each and will be in operation by next month. The complete development will be completed by the building of the 800,000 h.p. Shipshaw plant.

Beauharnois Power Corporation has under construction a 500,000 h.p. development on the St. Lawrence River. Considerable progress has been made on this project and it is expected that an initial 200,000 h.p. installation will be in operation by October, 1932.

Other Quebec Projects

Among other developments under construction in Quebec are the Mont Louis Seignory Ltd., 850 h.p. plant near Mont Louis, and the 40,000 h.p. development of the Ontario Paper Co. near the mouth of the Outardes River. Gatineau Power Company has completed number seven unit of 34,000 h.p. to its Paugan Falls plant, while the Montreal Island Power Co. will probably proceed with the addition of two further 12,000 h.p. units in its plant on the Back River near Montreal. The municipality of La Malbie, has a project of 800 h.p. in view for development during 1931.

Maritimes Report Increase

In New Brunswick, the St. John River Power Co. completed the installation of the fourth unit of 20,000 h.p. in its plant at Grand Falls. The town of Edmundston completed the construction of a new plant at Second Falls on Green River, comprising a new unit of 1,050 h.p.

New Brunswick Electric Power Commission is constructing a steam station at Newcastle Landing which will have an initial installation of two boilers with a rating of 2,500 kilowatts each.

In Nova Scotia, the Avon River Power Co. completed a new development of 4,500 h.p. on the Black River. On the Sissiboo River, the old hydraulic turbine pulp mill at Weymouth Falls was acquired by the Digby County Power Board from Mersey Paper and a small hydro-electric plant constructed containing a 600 h.p. unit.

Many Millions Required For Water Power Plans

From Our Own Correspondent

MONTREAL—Canada's water power installations passed the 6,000,000 h.p. mark at the end of 1930. The past twelve months was a notable period, not only because of the actual installations, but also because of the tremendous amount of work in progress and that in contemplation. This is well illustrated by the accompanying statistics and facts on the present status of the industry. An interesting fact to note in respect to the growth of installations, is that the water power available has more than doubled in each decade since 1900.

THREE DECADES OF GROWTH

	1900	1910	1920	1930
British Columbia	9,366	64,474	309,534	631,042
Alberta	280	‡ 655	33,122	70,532
Saskatchewan	....	30	35	42,035
Manitoba	1,000	38,800	85,325	311,925
Ontario	53,876	490,821	1,057,422	2,095,675
Quebec	82,864	334,763	955,090	2,695,118
New Brunswick	4,601	11,197	21,976	133,181
Nova Scotia	19,810	31,476	37,623	113,506
Prince Edward Island	1,521	1,760	2,233	2,439
Yukon	5	3,195	13,199	13,199
Canada	173,323	977,171	2,515,559	6,108,652

Provincial Power Installations

	End of 1929	Added in 1930	Installed Jan., 1931
British Columbia	560,042	71,000	631,042
Alberta	70,532	......	70,532
Saskatchewan	35	42,000	42,035
Manitoba	311,925	......	311,925
Ontario	1,959,675	136,000	2,095,675
Quebec	2,572,418	122,700	2,695,118
New Brunswick	112,131	21,050	133,181
Nova Scotia	108,406	5,100	113,506
Prince Edward Island	2,439	......	2,439
Yukon	13,199	......	13,199
Total	5,710,802	397,850	6,108,652

INSTALLATIONS IN 1930

Company	Site	Horsepower
Vancouver Island Power	Jordan River	18,000
Western Power	Ruskin	47,000
Northern B. C. Power	Falls River	6,000
Churchilll River Power	Island Falls	42,000
Ontario Hydro Electric	Queenston	58,000
Ontario Hydro Electric	Alexander Ldg.	54,000
Canada Northern	Upper Notch	13,000
Algoma District Power	High Falls	11,000
Shawinigan W. & P.	Grand'Mere	25,000
Maclaren-Quebec Power	Lievre River	90,000
Lower St. Lawrence Power	Metio River	6,000
J. Ford & Co.	Ste. Anne Perade	1,000
Baie St. Paul Electric	Gouffre River	700
St. John River Power	Grand Falls	20,000
Town of Edmundston	Second Falls	1,050
Avon River Power	Black River	4,500
Digby County Power Board	Weymouth Falls	600
Total for year		397,850

HYDRO PROJECTS IN PROGRESS

Company	Site	Complete	Installation
Bridge River Power	Bridge River	1932	56,000
West Kootenay Power	Corra Linn	1931	57,000
Powell River	Lois River	1931	49,600
Northwestern Power	Seven Sisters	1931	112,500*
City of Winnipeg	Slave Falls	1931	24,000
Ottawa Valley Power	Chat Falls	1931	224,000†
Ontario Power Service	Abitibi Canyon	1931-	330,000‡
Shawinigan W. & P.	La Gabelle	1931	30,000
Shawinigan W. & P.	Rapide Blanc	1932	160,000
J. Ford & Co.	Ste. Anne Perade	1931	2,000
Alcoa Power	Chute-a-Caron	1931	260,000
Beauharnois	St. Lawrence	1932-	500,000§
Mont Louis Seigniory	Mont Lewis	1931	850
Ontario Paper	Outardes River	1931	40,000
Gatineau Power	Paugan Falls	1931	34,000
Montreal Island	Back River	1931	24,000
Mun. of La Malbaie	....	1931	800
New Brunswick Power Board	Newcastle Ldg.	1931	3,730
Annapolis Royal	Lequille River	1931	245
Total			1,908,725

* 40,000 h.p. under partial head. † One-half in 1931. ‡ 100,000 h.p. in 1931. § 200,000 h.p. in 1932.

HYDRO DEVELOPMENTS CONTEMPLATED

Company	Site	Horsepower
Bridge River Power	Bridge River	544,000
Western Power	Ruskin	141,000
West Kootenay Power	Pend O' Reille	350,000
West Kootenay Power	Adams River	30,000
Northern B. C. Power	Falls River	10,000
East Kootenay Power	Phillips Canyon	20,000
Vancouver Island Power	Campbell River	110,000
Churchill River Power	Island Falls	42,000
Northwestern Power	Seven Sisters	112,500
City of Winnipeg	Slave Falls	72,000
Shawinigan W. & P.	Rapide Blanc	80,000
Shawinigan W. & P.	Upper St. Maurice	1,000,000
Shawinigan W. & P.	Carillon	600,000
Maclaren-Quebec Power	High Falls	30,000
Maclaren-Quebec Power	Lievre River	120,000
Alcoa Power	Chute-a-Caron	540,000
New Brunswick Power Board	Roseway River	400
Total		3,801,940

Nfld. Power Consider Rate Reductions

From Our Own Correspondent

MONTREAL.—Reductions in both commercial and household rates is contemplated by Newfoundland Light and Power Co., subsidiary of International Power Co. The amount of the reduction has not yet been announced but it is expected that a definite statement will be forthcoming on completion of the work underway at the company's new hydroelectric development at Pierre's Brook.

Progress is being made in construction of this plant and distribution equipment is in readiness for its operation. The duplicate submarine cables which will carry energy to the Wabana mines of Dominion Steel and Coal Corp. on Bell Island have been laid; the sub-station at Broad Cove, where power will be stepped down to 13,000 volts prior to transmission on the submarine cables, has been completed and the duplicate transformer at Dominion Pier on Bell Island is also installed.

Contract with Dominion Steel and Coal calls for delivery of 2,000 horsepower from the beginning of 1931. Since the Pierre's Brook development is not completed, this power is being delivered by the United Towns Electric Co. The full 5,000 horsepower will be delivered from the new plant of Newfoundland Light and Power in July, 1931.

N.S. POWER BOARD PLANS FORMATION OF VALLEY SYSTEM

Proposes to Purchase Annapolis Generating Plants

From Our Own Correspondent

MONTREAL. — Formation of a new hydro-electric generating system, to be known as the Annapolis Valley System, is indicated in the proposal of the Nova Scotia Power Commission to acquire the active generating stations and water storage basins of four individual utilities.

These are owned by the town of Middleton, the Annapolis Valley Electric Co., the town of Annapolis Royal and the Digby County Power Board. The town council of Middleton has signified its approval, while ratepayers of other districts will be asked to make a decision on the proposal in the near future.

To Interconnect Systems

The commission does not suggest taking over the transmission lines or distribution systems belonging to any one of the former owners. It is emphasized that the commission's policy is to devote its main effort to establishment and efficient and economical operation of generating stations and generating systems which will be linked together, as far as conditions allow by interconnecting transmission lines to provide complete requirements of power and energy at lowest possible cost.

Power and energy will be wholesaled in bulk at a uniform cost to each of the three municipalities and the Annapolis Valley Electric Co. on the basis of contract for a thirty-year period, renewable on certain terms for a further thirty years.

Claims Sound Record

The Nova Scotia Power Commission points to its record over the past ten years in building up a generating organization consisting of eleven stations and six systems, with a total capital investment of $13,000,000 with 200 miles of transmission lines, with 62,000 h.p. of installed turbine capacity and with a capacity to produce 180,000,000 kw.h. a year of electric energy.

Reference is made to the commission's delivered energy costs from the St. Margaret's Bay and Sheet Harbor systems over the last few years, revealing, it is claimed, decreased unit costs with increased power and energy consumption.

United Towns Electric Extends System in 1930

From Our Own Correspondent

MONTREAL. — During 1930 United Towns Electric Co., operating in Newfoundland, carried out considerable expansion. The system was extended to the Burin peninsula and several settlements were wired. Transmission lines were also extended from Lawn to St. Lawrence and that town electrically lighted.

On the Avalon peninsula service was extended from Placentia to Point Verde and from Argentia to Point Latine. A transmission line was built from St. John's to Cape Spear a distance of nine miles and several other settlements were wired and connected with the circuit.

Storage capacity of the company's generating plant at Seal Cove is being increased by construction of a storage dam and completion is expected early this year. With this work finished, it is expected further extension to distributing systems will be undertaken.

United Towns Electric now supplies over 6,500 customers, of which about 1,100 were added in 1930. The majority of the company's customers are located in the Avalon Peninsula.

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News of Investment Markets

ONTARIO SALE IS INDICATION OF PRICE TREND

Cost Basis of 4.60 p.c. Compares With 4.91 p.c. Last May

BONDS MOVE UP

Credit Ease Expected to Result in General Advance of Bonds

Sale by Ontario of $30,000,000 4½ per cent 40 annual installment bonds on a cost basis of 4.60 per cent to an international syndicate headed by National City Co., is expected to give a trend to the Canadian market for new government and municipal issues that has been lacking for some months. The issue is similar to an issue sold by Ontario in May, 1930, when the province secured new money at a cost of 4.91 per cent.

The improvement in price shown by the recent offering is an indication of the net gain registered in the last seven months in the high-grade bond market. A considerable volume of government and municipal financing is known to be held pending a good market and there is a good possibility that the price received by Ontario will cause other issues to be offered.

Spread is Greater

With three syndicates bidding, representing some of the foremost investment banking houses of the United States and Canada, it is noticeable that the spread between bids is somewhat greater than might be expected if investment demand was more certain. The three bids for the current Ontario issue were 98.6699, 97.949 and 97.36. In May, 1930, the first two bids were decidedly closer, being 94.41 and 94.2199 with the third at 93.4289. The difference between the high and low bid in May was .9811 and on January 13 was 1.3099.

With but few exceptions, the syndicates bidding last May correspond in composition to the syndicates that bid on the recent issue. The successful syndicate of May placed the lowest bid recently and the syndicate awarded the issue just sold was low bidder in May.

Demand for high-grade bonds by banks and insurance companies has been stimulated by the lowering of money rates during the past few weeks by the Federal Reserve Bank of New York which reduced its rediscount rate to two per cent. This action was followed by some other reserve banks and banks have been forced to increase their bond holdings in order to maintain the return on their invested capital.

Market is Strong

While New York bond prices declined to the low point for 1930 in mid-December, there has been a strong up trend during the past three weeks. The extreme ease in credit conditions will have its greatest immediate effect in bond prices, it is believed. Average prices are still well below the 1930 high point and well below the 1928 peak and further advance in prices is considered probable. Second-grade issues, while affected by the increase in high-grade bond prices, are not expected to show too great strength in the immediate future.

Canadian bonds have not shown such general and large advances in price as have been shown in New York, but the trend is definitely upward as opposed to the general weakness of mid-December. Traders' bid prices on a selected list of 37 Canadian issues show gains in 32 and no movement in five during the past week. In the previous week there were 20 gains, 16 issues unchanged and one off a quarter of a point. In the week ended December 31 only four showed gains, 24 showed no change and nine lost ground. In the week ended December 23 only two gained against 28 losses. This is a fair indication of the trend of Canadian bond prices.

Bond Sales

PROVINCE OF ONTARIO

National City Co. heading an international syndicate, was awarded $30,000,000 4½ per cent 40-installment debentures of the Province of Ontario on January 13 on a bid of 98.6699; a cost basis of 4.60 per cent. Bonds are dated January 15, 1931, with interest payable on July and January 15. Bonds are payable in Canada and New York. Bids were received from three syndicates as follows:

1. National City Co., Wood, Gundy & Co., Dillon, Read & Co., Guaranty Co., Dominion Securities Corp., A. E. Ames & Co.	98.6699
2. Bancamerica-Blair Corp., Chase Securities Corp., Continental Illinois Corp., First Union Trust & Savings Bank, Royal Bank, Canadian Bank of Commerce, R. A. Daly & Co., Marine Trust Co., Guardian Detroit Co., E. H. Rollins & Sons, Greenshields & Co., Shawmut Corp., Royal Securities Corp., F. S. Moseley & Co., Atlantic Corp., Lowber, Stokes & Co., Wells-Dickey & Co., Bancnorthwest Corp., Kalman & Co., First St. Paul Co.	97.949
3. Bank of Montreal, McLeod, Young, Weir & Co., F. W. Kerr & Co., Bell, Gouinlock & Co., Fry, Mills, Spence & Co., Bank of Nova Scotia, Dominion Bank, Matthews & Co., Hanson Bros., First National Bank, Kountze Bros., Bankers Trust Co., Stone, Webster & Blodgett, First Detroit Co., Solomon Bros. & Hutzler, R. W. Pressprich & Co., The Northern Trust Co., Chicago	97.36

SHERBROOKE R. C. SCHOOLS

McLeod, Young, Weir & Co. has been awarded $125,000 5 per cent 40-year serial bonds of the Sherbrooke R. C. School Commission at 99.59; cost basis 5.03 per cent. Bids were as follows:

1 McLeod, Young, Weir & Co.	99.59
2 Gairdner & Co.	99.53
3 C. H. Burgess & Co.	99.13
4 Bank of Montreal, A. E. Ames & Co.	99.08
5 Rene T. Leclerc Inc., Banque Canadienne Nationale	99.03
6 Dominion Securities Corp.	98.58
7 Mead & Co.	98.04

Canada Supplied 70 P. C. Of Capital Needs in 1930

Total Capital Investment as at Jan. 1, 1931, Estimated at $17,430,000,000 by Financial Post Business Year Book

The total capital investment in Canada as at January 1, 1931, was $17,430,000,000 (exclusive of land, etc.) according to an estimate prepared by K. W. Taylor, M.A., associate professor of Economics, McMaster University, for The Financial Post Business Year Book, 1931. This is an increase of $745,000,000 over the previous year's estimate, and compares with only $13,937,000,000 invested at the end of 1926.

Out of this $745,000,000 of new capital invested in 1930, only 30 per cent was supplied by foreign investment, the remaining 70 per cent being supplied entirely by Canadian capital. An important feature from Canada's point of view is that there has been a steady increase in the relative amount of new capital supplied by Canadians. This is demonstrated by the fact that in 1926, 35.8 per cent of all capital employed in Canada (agriculture and real estate excluded) was of foreign origin. Today the percentage is 34.6. That is for every $1,000 of outside capital invested, Canadians have saved and invested at home, $2,355.

The following table sets these figures out in detail. It will be seen that the American percentage has risen slightly, and the British percentage fallen appreciably. The proportion of American capital has increased especially in railways, public utilities, pulp and paper, and finance. It has declined considerably in mining and in "other industries."

OWNERSHIP OF CAPITAL INVESTMENTS IN CANADA, 1926 and 1931

As at January 1, 1926 — Millions of Dollars

	Total	Canadian	Outside	Outside dividend as follows U.K.	U.S.A.	Other
Gov't and municipals	4,278	3,007	1,271	480	786	5
Railways	2,862	1,431	1,431	956	437	38
Public utilities	863	517	346	123	183	40
Pulp, paper and lumber	907	440	467	42	352	73
Mining	632	311	321	90	217	14
Metal industries	807	505	302	52	246	4
Other industries	1,313	792	521	105	410	6
Trading establishments	1,800	1,611	189	40	144	5
Finance	475	330	145	91	42	12
Total (land, etc., excluded)	13,937	8,944	4,993	1,979	2,817	197

As at January 1, 1931 — Millions of Dollars

	Total	Canadian	Outside	Outside dividend as follows U.K.	U.S.A.	Other
Gov't and municipals	4,580	3,167	1,413	429	979	5
Railways	3,350	1,628	1,722	956	721	45
Public utilities	1,450	863	587	121	429	37
Pulp, paper and lumber	1,200	584	616	60	497	59
Mining	1,000	637	363	120	223	20
Metal industries	1,125	699	326	53	270	3
Other industries	2,100	1,518	582	132	440	10
Trading establishments	2,100	1,864	236	76	155	5
Finance	625	436	189	106	70	13
Total (land, etc., excluded)	17,430	11,396	6,034	2,053	3,784	197

PERCENTAGE DISTRIBUTION OF CANADIAN CAPITAL INVESTMENT

As at Jan. 1, 1931

	Can.	Outside	Outside dividend as follows U.K.	U.S.A.	Other
Gov't and municipals	69.1%	30.9%	9.4%	21.4%	.1%
Railways	48.6	51.4	28.5	21.5	1.4
Public utilities	59.5	40.5	8.3	29.6	2.6
Pulp, paper and lumber	48.7	51.3	5.0	41.4	4.9
Mining	63.7	36.3	12.0	22.3	2.0
Metal industries	68.2	31.8	5.2	26.3	.3
Other industries	72.3	27.7	6.3	20.9	.5
Trading establishments	88.8	11.2	3.6	7.4	.2
Finance	69.8	30.2	17.0	11.1	2.1
Total (land, etc., excluded)	65.4%	34.6%	11.8%	21.7%	1.1%

As at Jan. 1, 1926

	Can.	Outside	Outside dividend as follows U.K.	U.S.A.	Other
Gov't and municipals	70.3%	29.7%	11.2%	18.4%	.1%
Railways	50.0	50.0	33.6	15.2	1.2
Public utilities	59.9	40.1	14.3	21.2	4.6
Pulp, paper and lumber	48.5	51.5	4.6	38.8	8.1
Mining	49.2	50.8	14.3	34.3	2.2
Metal industries	62.6	37.4	6.4	30.5	.5
Other industries	60.3	39.7	8.0	31.2	.5
Trading establishments	89.5	10.5	2.2	8.0	.3
Finance	69.5	30.5	19.2	8.8	2.5
Total (land, etc., excluded)	64.2%	35.8%	14.2%	20.2%	1.4%

Slow 1931 Rise Expected In Selected Stocks Later

Stock markets of Canada and the United States enter on the second half of January with a number of market commentators predicting a technical reaction from the strength shown in the first half of the month. Such reactions as occur in the next few months will be of unusual interest in that they are expected to show how complete has been the liquidation of weakly held accounts. If the market support should prove unexpectedly strong, considerable encouragement will be given to the buying of investors and speculators for long hold account.

Too great strength in the early months of the year would not be desirable. Extreme ease in money, especially in the United States, is a favorable factor in the market, but an advance preceding a longer and stronger bond movement and distinct evidence of business improvement might prove premature. The weeks ahead will show market action in the face of a number of disappointing annual and fourth quarter statements of Canadian and United States companies. The results are expected to be lower than for preceding years but everything will not have been fully discounted.

Growing Investment Strength

Encouragement as to the future is given by the continued increase in savings deposits in Canada, and by the continued falling off of call loans indicating a considerable reduction in speculative accounts. This means growing investment strength.

Present conditions favor continuance of an active bond market. Selected stocks should be bought on reactions and there is no hurry about rushing it for fear periods of strength will make intending investors lose their opportunity. There are exceptional opportunities to buy stocks for the long hold but buying on recessions still seems the wiser policy.

Taken over the year, if the situation is not weakened by a too rapid advance at some time in response to temporary conditions, the prospect is for gradual improvement in the market valuations of selected stocks. The advice to buy on recessions may be modified by the statement that it is well to buy selected stocks at any time when there has been in them no marked speculative advance, providing every factor including price is given careful consideration. Careful buying will do more for the ultimate strength of the market than any sensational spurts of strength.

Bond Redemptions

Hamilton By-Product Coke Ovens Ltd. 7 per cent 20 year first mortgage bonds to the extent of $101,400 have been called for redemption on February 1 at 104 payment at Central Trust Co., of Illinois, Chicago, or Chase National Bank, New York. Bonds called include 30 of $100 denomination, 37 of $500 and 68 of $1,000.

	Rate	Due	Redeem.	Price
Bond Issues—				
Minneapolis Heat Regulator	*5%	1932	Feb. 1	100
Hamilton By-Products Coke	*7%	1943	Feb. 1	104
Stock Issues—				
National Grocers Ltd. 1st pfd.	8%	....	Feb. 14	110
Foreign Issues—				
Danish Cons. Mun. Loan	8%	1946	Feb. 1	107½
Rep. of Finland	*5½%	1958	Feb. 1	100
Belgium (ext.)	8%	1941	Feb. 1	107½
Norway	*6%	1944	Feb. 1	100

*Called in part.

Credit Anglo-Francais Buy Quebec Securities

From Our Own Correspondent

MONTREAL.—Credit Anglo-Français Ltd., report the purchase of $68,000 municipality of Amqui, Matapedia Valley, P.Q., 5½ per cent one fifteen-year serial bonds. They also report the purchase of $50,000 Franciscan Sisters of Quebec, 5½ per cent one-twenty year serial bonds.

These bonds are covenant of the order as a whole, which is a worldwide organization.

Canadian Wirebound Boxes Cancels Some "A" Stock

Seven months earnings of Canadian Wirebound Boxes to November 30, 1930, are reported to be about $125,000. It is also reported that dividend requirements in the current year will be less due to the purchase and cancellation of a substantial number of class "A" shares.

FIRST NATIONAL CORPORATION OF CANADA, LIMITED

INVESTMENT SECURITIES

STAR BUILDING, TORONTO
TELEPHONE ELGIN 9274

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Municipal—							
Amqui Matapedia Valley, P.Q.	Jan.	Credit Anglo-Francais	5½%	1-15 yr.	$68,000	...	...
Lens School Dist. Sask.	Dec.	H. M. Turner & Co.	7%	10-yr.	2,000	...	...
Sherbrooke R. C. Schools	Jan. 8	McLeod, Young, Weir & Co.	5%	40-yr. ser.	125,000	99.59	5.03
Provincial—							
Ontario	Jan. 13	National City Co., Wood, Gundy Co., Dillon, Read, & Co., Guaranty Co. of N.Y., Dominion Securities Corp., A. E. Ames & Co.	4½%	40 ins.	30,000,000	98.6699	4.60

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Franciscan Sisters of Quebec	Jan.	Credit Anglo-Francais	5½%	1-20 yr.	$50,000	...	...
International Match Corp.	Jan. 14	F. W. Kerr & Co.	5%	1941	50,000,000	96	5.50
Columbia Gas & Electric Corp.	Jan. 14	Guaranty Co., N.Y., and U. S. Syndicate	5%	1961	50,000,000	98	5.12

Lindsay May Earn $3 on Common Stock

From Our Own Correspondent

MONTREAL. — December sales of C. W. Lindsay & Co., retailers of musical instruments were lower than those of the same month in the previous year by about 3 per cent. In view of the fact that sales of December, 1929, were at a high level, the management is well satisfied with results.

Outlook for earnings in the fiscal year ended February, 28, 1931, is not unsatisfactory. It has been stated officially that bond interest, preferred and common dividends for the full twelve months period were fully earned in the first nine months of the fiscal year. With good profits in December and a reasonable maintenance of business in the next six weeks, it is likely that earnings on the common will approximate $3 a share.

Last year C. W. Lindsay earned $6.03 a share on the common on which a dividend of $1 is presently paid. Surplus at the end of February, 1930, amounted to $354,987.

Offer Debenture Issue Columbia Gas & Electric

Columbia Gas & Electric Corp. five per cent gold debentures to the extent of $50,000,000 are being offered by a United States syndicate. The corporation is engaged in production, transmission and distribution of natural and mixed gas and of electricity and includes other public utility enterprises in its operations.

Proceeds of the issue will be used in reducing outstanding bank loans and in providing funds for capital expenditures. The details of the issue are as follows:

$50,000,000
Columbia Gas & Electric Corp.
Gold Debenture Bonds 5 per cent series due 1961

Dated: Jan. 15, 1931; due: Jan. 15, 1961.

Interest payable: January and July 15 in New York.

Denominations: $1,000 registerable as to principal and fully registered bonds of $1,000, $5,000 and $50,000.

Redeemable: In whole or in part at any time on 30 days notice to Jan. 15, 1936, at 105; thereafter to Jan. 15, 1941, at 104; thereafter to Jan. 15, 1946, at 103; thereafter to Jan. 15, 1952, at 102; thereafter to Jan. 15, 1958, at 101 and thereafter at 100 to maturity.

Trustee: Guaranty Trust Co., New York.

Public Utility Earnings

National Light & Power

	1930 Kw.h.	1929 Kw.h.	Increase
November	2,181,748	1,770,035	411,713
11 Months	21,226,457	17,151,509	4,074,948

INTERNAT. MATCH DEBENTURES OFFERED

Conversion Privilege Allows Exchange for Preferred Stock

Offering is being made in Canada of a portion of a $50,000,000 issue of 10-year five per cent convertible gold debentures of International Match Corp., a Delaware company with subsidiaries owning 120 match manufacturing plants in various countries. With its parent company, Swedish Match Co., the corporation controls more than 250 plants in 43 different countries.

The debentures carry a conversion privilege permitting exchange into participating preference stock of the company, at any time, on the basis of 12½ shares of preferred for each $1,000 of debentures. Details of the issue follow:

$50,000,000
International Match Corp.
10-year 5 per cent Convertible Gold Debentures

Dated: Jan. 15, 1931; due: Jan. 15, 1941.

Principal and interest: January and July 15, payable in U. S. gold at offices of Lee, Higginson & Co., New York, Boston and Chicago.

Denominations: $1,000.

Redeemable: On 30 days notice at any time in whole or in part on interest dates at 102½.

Sinking Fund: Sufficient to retire approximately $9,000,000 of principal amount by maturity.

Trustee: City Bank Farmers Trust Co., New York.

Offer: $50,000,000, January, 1931, at 96 and accrued interest payable in New York funds by F. W. Kerr & Co.

Bond Tenders

Noon, Jan. 17, Port Colborne—$113,803, 5 per cent, 30-year local improvement bonds. H. F. Johnston, treas. (See announcement on page 8).

4 o'clock, Jan. 19, Three Rivers—$478,500, 5 per cent, 40 year debentures, dated Nov. 1, 1930, interest payable 1st May and Nov. at Bank Canadian Nationale, Three Rivers, Montreal and Quebec. Jacques Denechand. (See announcement on page 8).

Jan. 24, Municipality of Low—$62,000, 5 per cent, 15-year serial bonds. R. Wilkie, sec.-treas.

4 o'clock, Jan. 20, City of Levis—$25,000, 5½ per cent, 20 year bonds, redeemable serially from Jan. 1, 1932 to Jan. 1, 1951. Interest payable Jan. and July 1 at the Banque Canadienne Nationale, at Levis, Quebec and Montreal. Purpose of the loan: Expenses in connection with certain works to relieve unemployment. L. Lemieux, city clerk.

Noon, Jan. 20, City and County of Saint John, N.B.—$1,300,000, 4½ per cent, 40-yr. bonds, due January 2, 1971. For new general hospital.

Alberta authorizations granted by the board of Public Utility Commissioners Dec. 4 to Dec. 8: Tranquility No. 4495, $1,500; Sunny Ridge No. 1484, $3,500; Nemiskam No. 27, $2,000; Crystal Creek No. 3403, $800.

Saskatchewan authorizations granted by the local government board from Dec. 20 to Jan. 3, 1931: Sheldon No. 4879, $400; St. Stanley No. 4823, $2,700; Fairdale R T. Co., $1,300; Eston Pioneer R. T. Co., $500; Kincora R. T. Co., $500; Eldon R. T. Co., $1,700; Eldersley R. T. Co., $950; Western Edam, R. T. Co., $4,500; Pilger R. T. Co., $1,550.

The Prudent Dictates of Sound Practice

The economic aim of almost every person is, always has been and probably always will be, to secure an estate yielding a permanent income sufficient, at least, for maintenance during life and for the support of his family after him.

In the up-building of such an estate and afterwards, it is a prudent thing, and sound practice, to invest in good bonds; such bonds give protection to principal and yield dependable income.

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De Havilland Aircraft Elects Officers at Annual

Only changes made in officers and directors at the annual meeting of The de Havilland Aircraft of Canada were in the election of W. R. P. Parker, K.C., as chairman of the board, and W. Zimmerman as vice-president and secretary-treasurer.

In Financial Circles

Rolland Joins Leclerc Inc.

From Our Own Correspondent

MONTREAL. — Aimé Rolland, who has been associated with Nesbitt, Thomson and Co. since 1926, has severed his association with that firm and will henceforth act as head of the sales service of René T. Leclerc Inc., with which firm he started as bond salesman in 1915.

G. N. Brown Makes Change

George N. Brown, formerly assistant general manager of the Standard Bank and latterly of Brown, Fleming & Co., has become associated with Hambly, Peaker & Armstrong, members of the Toronto Stock Exchange.

Cochran & Co. is Organized

It is announced that the investment branch of the business of Cochran, Hay & Co. will be continued by the newly formed firm of Cochran & Co., which will conduct a general investment business at the same address, Dominion Bank Building, Toronto.

The Story of 1930

The results achieved by The Imperial Life Assurance Company of Canada in 1930 will be very gratifying to policyholders and others interested in the Company's progress:

	1920	1925	1930
Assurances in Force	$116,201,347	195,068,289	300,932,203
Assurances Issued	31,152,071	34,595,390	37,350,210
Total Assets	19,310,403	35,047,398	62,979,827
Policy and Annuity Reserves	16,018,229	29,480,492	53,039,981
Premium and Interest Income	4,973,802	8,925,057	13,830,045
Payments to Policyholders	1,349,867	3,111,364	6,530,785

The millions of dollars of Reserves held by The Imperial Life are calculated on so strong a basis that interest earnings of only 3% are sufficient to maintain them. The difference between this 3% rate and the 6% actually earned gives an exceptionally wide margin for policyholders' profits and security.

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TORONTO, JANUARY 15, 1931

WESTERN FARMER NOT BOLSHEVISTIC

NEWSPAPERS in Canada, in an earnest effort to place the viewpoint of the Western farmer squarely before their readers, are quite innocently misrepresenting the farmer by quoting in extenso the propaganda of sheer charlatans, backed by no substantial group of Western wheat growers, who rush into print with weird concoctions of plausible propaganda and who find that their statements are carried on coast-to-coast press wires and given front page publicity in Eastern papers. There are organizations in the West that are thoroughly discredited, that have been shown to be agencies for communism rather than for the spread of farm education or of the agricultural viewpoint, but that are regarded by Eastern business men as typical spokesmen of the West, simply because their every mouthing has been played up as what the Western farmer thinks.

The Western farmer is not a frantic bolshevik, he is not a radical theorist, he is not a continuous grouser, he is not primarily a politician nor is he an economic weakling.

The newspapers of Canada might give the Western farmers recognition at least for what most of them are, decent, hard working sons of the soil striving against serious difficulties to establish themselves, some of them efficient, some of them not so efficient, capitalistic rather than socialistic because their chief aim is to win by individual effort property for themselves and their families, men who, taking good years with bad, gradually are attaining their objectives. But no one would recognize such men in the picture of the Western farmer that must be conjured up by Eastern business men reading some of the interviews and statements recently appearing in the newspapers.

MORE AND BETTER HOGS

AT A meeting of the Alberta Swine Breeders' Association in Edmonton the other day a certain lack of enthusiasm was evident over the increase which is in prospect in the raising of hogs in Canada. That is hardly to be wondered at. Farmers who have stuck to hog production have found their operations highly profitable, unlike most farm operations this past year. Shortage of hogs in Canada, to the point where this country has not been supplying its own bacon needs has kept up prices in Canada far above the export level, and far out of line with the general average of agricultural prices. When production is expanded to give this country a considerable export surplus, Canadian prices will again be regulated by the prices at which the surplus may be sold abroad.

In spite of this there can be no doubt of the soundness of Canada enlarging her production of bacon. Farming operations lead to the production of a great deal of material which can find a profitable sale only in the form of meat, and also to a good deal of labor time which can find no useful outlet except in the care of livestock. For the most part hog production in Canada is likely to remain a side line, and development of farms upon which it is the main source of livelihood, as is the case on many farms in Denmark and in the corn belt of the United States, is not likely.

It is desirable, as Canada prepares again to enter into the export bacon trade, that the economics of the price situation should be recognized. Harm has been done to the industry in the past by lack of knowledge in this connection, and dissatisfaction has been engendered among farmers by working up a feeling of blame against packers for inevitable variations in price. And such dissatisfaction has as frequently been a cause of farmers giving up hog raising as any failure of such operations to yield reasonable returns. When hog prices fall again there will be a wide field for exploitation of discontent, and for development of impracticable ideas of market control similar to those which have been tried out with wheat, with such disastrous results.

Canada can make a place for herself again in the export bacon trade upon the bases of quality and quantity. Both are requisite, for marketing connections require an assurance of continued supplies. Quality of the Canadian product has been established in the past, in competition with bacon from other countries, but there was formerly difficulty in getting proper recognition of quality in comparative prices, because there was not sufficient volume and sufficient steadiness of supply to keep dealers interested in selling the Canadian product.

As a new effort at raising hogs for export is begun it is to be hoped that the necessary conditions of competition are sufficiently understood to maintain the business during periods when prices may temporarily prove disappointing.

LET THE LIGHT SHINE

SOCIALISTS, radicals, demagogues, theorists and parlor bolshevists are never silent. They are vociferously vocal, always ready to scribble pamphlets and deliver orations. Disgusted business leaders are apt to be silent. Speech is silver but silence is, in these days, anything but golden. So leaders of business are finding it necessary to present their viewpoint to the public. Some pride themselves on the fact that they never granted a newspaper interview which means that they are proud of never having tried to make the general public, tremendously influenced by their every policy and action, understand them. If some enterprising worker in needle point were to frame a motto "Don't Quote Me" he could sell one to each of scores of business chieftains.

Times are changing and the business policy of not trusting the public's good judgment to make a wise decision, when it has all the facts from both sides of a controversy, is changing with it. Business institutions, financial leaders, industrial associations are learning the necessity and the art of making their story known. It is a sound development.

The head of the Quebec power group made public last week a telegram on power rates that he had sent to the premier of the province. In the past he has been largely content to let some one else defend his thoroughly correct position. Another great industrial leader, faced with a notable problem in public relations, established a precedent for himself by granting a two-hour interview recently to an editor who required exact knowledge of his industry's position. One by one industrial leaders are learning that if their case is right they only need to tell it or have it told fairly in order to offset the distorted presentations of the story by opposing interests. Business developments that will not stand publicity are dangerous. But most business developments trends will stand analysis under bright light.

ELIMINATING MISFITS

A FEW weeks ago 650 high school students in a big Ontario city were questioned as to what vocation they had chosen for their life work, and were also given the opportunity to ask any questions they might have in mind as to how they should choose their vocation. The replies showed that very few of the students had made a definite choice, but that practically everyone was eager and anxious to find out some specific information regarding their vocational problem.

Feeling the need for definite and organized vocational guidance in Canada, the Canadian Vocational Guidance Movement has been launched by a group of responsible and capable citizens after a year of preliminary research. The movement plans to set up a research bureau for the securing of up-to-date industrial and research information along these lines; to establish a central library on vocational guidance which would be available to all educationalists; and act as a clearing house for the collecting and dissemination of all information which would be of value in aiding young Canadian men and women in choosing a career.

Although as yet in its early stages, such a movement should receive the hearty support and endorsation of business, because in essence it aims to eliminate at its roots, the causes which leads to misfits in the business world and professional world. Already it has received the hearty support of important men, and if it succeeds in its appointed task it should prove a powerful force in mobilizing Canadian man-power along the most useful and economic lines.

USING FARMERS' MONEY TO SPREAD COMMUNISM

THE Scoop Shovel, the membership and propagandist organ of the Manitoba Wheat Pool, carries an article suggesting a bigger and better farm paper for the West, owned by the farmers and not run for profit. The argument in favor of it is this:

> "Among other grim satires of the farmer's existence is the fact that in order to get daily news of his fellow man, he has to subscribe to the periodicals owned and controlled by interests which are diametrically opposed to the farmers' welfare."

It will come as a surprise to the publishers of such well edited Western farm journals as the Farm and Ranch Review, of Calgary, the Country Guide, of Winnipeg, the Free Press-Prairie Farmer, of Winnipeg, and others, that what they are publishing is "diametrically opposed" to the farmers' welfare. The reason these papers and the dailies and the magazines and the financial papers and the country weeklies—for the charge is all-embracing—are under attack in the wheat pool organ is obviously because they are not given over to sheer communism and radicalism. This is made apparent by the statement in the Scoop Shovel article that the propaganda now given the farmers in the papers they read "keeps them in their present status of peasants permitted a pittance only that they may support on their backs the ever-increasing aristocracy of riches" and the further plea for the establishment of a "farmers' class consciousness."

The article merely serves to illustrate the point often brought out in these columns, that while the wheat pool's grain activities have had certain business objectives the propaganda departments of the wheat pools have been run on lines that suggest that they are out for class warfare. Pool bulletins, radio talks and official organs have been brought beneath the domination of communist workers and some of the literature that has been issued, if it had been mailed from Moscow, would have been forbidden the use of the Canadian mails.

It is a very serious question how long the banks, which loan Canadian depositors' money to the wheat pools, the Western provinces and the Dominion which have guaranteed these loans, the new general manager, who is primarily a business man, and the directors of the wheat pools, who are farmers themselves, are going to continue to countenance the extravagant waste of grain-growers' funds for the dissemination of subversive propaganda.

COLONEL LEONARD WAS FAIR TO PUBLIC

THE eminently successful career of the late Col. R. W. Leonard, was the reward of a life founded on square dealing and emphasizes the gains that accrue through the pursuance of this fundamental motive.

Colonel Leonard graduated from Royal Military College as a civil engineer instilled with a desire to build and defend a greater Canada, and those who regard luck as favoring his efforts know little of the untiring energy accompanied by the highest motives that made for his success.

In this day when ethics are too often disregarded in the battle for financial gain it is fitting that reference should be made to Colonel Leonard's ideals.

The Coniagas mine, the foundation of his financial independence, came to him after years of organized interest and desire to develop the mineral resources of the province, and his administration of this and his other companies is typical of his sense of fair play.

In after years, when Coniagas neared depletion and earnings decreased, it was his expressed desire that he and his associates, who had profited most in the enterprise should hold most of the stock, instead of the general public. While executives of other declining companies were getting out from under, Colonel Leonard accumulated the stock of his own company.

His code of morals did not permit trafficking in the shares of a company which he controlled or of which he was a director. Such practice, he thought, was capitalizing confidential information. Yet he prospered in financial matters. If a dividend was to be passed by one of his companies he did not liquidate his holdings or even advise his most intimate friends that they might liquidate.

The latter years of his life were largely devoted to philanthropy and in this capacity he will be long remembered, but to his associates it is the memory of his management and financial policies that remains.

EDITORIAL NOTES

It is figured that one Toronto daily mentioned its chief journalistic and political competitor 62 times in its issue published the day before the civic elections. Such generosity in free advertising is probably unprecedented and seems to indicate that elections make some Toronto editors just a trifle panicky.

* * *

It is denied by Imperial Tobacco that it will absorb the Macdonald Tobacco Company. The Macdonald tobacco business may be more valuable to Imperial as a separate unit than as part of the larger organization. The public is suspicious of monopoly so long as Macdonald, H. Simon and Sons and other smaller concerns are in business. There is a saying in the United States that "Westinghouse Electric keeps General Electric out of jail."

* * *

On January 16 proprietors of the Hudson's Bay Company will vote on the proposal to segregate the Canadian stores of the company under a Canadian corporation with Canadian management. The proposal seems certain of adoption and would mark a striking turn in the affairs of this 270-year-old company. The move would be in line with all successful experience in Canada; it has been proved time and again that a large scale business in Canada can not be successfully managed from London.

* * *

Annual reports of life insurance companies will be interesting to study closely this year. Companies with a large percentage of stock investments will undoubtedly show a considerable depreciation in their assets which will, in some cases, be merely a wiping out of part or all of paper profits which the companies never treated as cash profits. Companies with a large percentage of Western farm mortgages are holding investments that show equal decline in market value but the statements will not reflect this decline as the mortgages will go in at their face value. But both well-selected common stocks and amply diversified Western farm mortgages will come back and policyholders need not worry if the 1930 year-end statements are not in all cases as promising on the assets side as statements of a year ago or as statements a year from now will likely be.

POST-scripts

VARIOUS national advertisers have proffered solutions for "that embarrassing moment," but what should one do in the following case: It was necessary to get in touch with a Montreal man. On his letterhead only the post-office box number was given. Having a position of some importance, it was considered an easy matter to get in touch with him. Numerous enquiries as to his whereabouts were unsuccessful. The city directory did not even list his name. Finally turning to the telephone book, it was discovered that there was a listing—name and initials being correct. It was decided to call the house number and ask for the man's business address. A woman's voice answered the phone. She was asked if she could give Mr. So and So's business address or telephone number. There was a moment of hesitation and then the reply came back: "I am sorry that I cannot give you the number. Mr. So and So has been dead for seven years."

AN INTERESTING problem faces those investing institutions holding stocks listed both in Canada and in United States. Canadian exchanges closed up shop at 1 o'clock on December 31. New York stayed open until three o'clock. In the last two hours, New York showed considerable strength and prices closed above the 1 o'clock figure. Interlisted stocks closed higher in New York than in Toronto or Montreal. Which closing quotations shall the Canadian investing institutions take in making up their market valuations as of December 31? It is a fair guess that they will take the New York figures.

The disparity was greatest in the case of British American Oil which closed in Canada at 16 and in New York at 20. Incidentally, when trading was resumed after the New Year the price of 20 had vanished. Floating supply of a stock like B. A. Oil in New York is very small. It would be simple to run it up to 20 in New York when most of the Canadian brokers would have gone home to get a little sleep before the New Year's festivities began. There are cynics who say that the little spurt in British American Oil was all fixed to enable a little window dressing to be done where it was needed. But this is the sort of clever trick that most investment managers are too busy to plan in advance.

In the Mail

Dissolve the Wheat Pools

Editor, The Financial Post:

In editorials seen in some western dailies, reference has been made to some remarks made by your esteemed publication regarding the farmers' Wheat Pool. As a westerner, for 25 years constantly engaged in attention to farms and farm incomes, I have great respect for any journal that can see, and expose the inexcusable fallacies, and the unsound fundamental principles that underlie the Wheat Pool. I am not a grain dealer but am directly interested in farming and its proceeds. While not now actually farming I give attention to perhaps 30 sections of improved farms, in a general supervisory position. I state without bias that the fallacious policies on which the Pool is founded will eventually bring the organization to failure.

It is the biggest single factor in bringing about the present unheard of critical condition of the farmer and the ridiculously low price of his wheat.

The pools' holding policy was wrong from its inception. Holding leads to annual increase in surpluses. Surpluses must eventually be dumped, to swamp prices.

Farmers in the Pool obtained during last three years immensely less per bushel than the non-pool farmer.

If as Pool states, grain firms lost, the non-pool farmer got a higher price, nevertheless, which in some instances in 1929 amounted to fifty cents above pool prices. Further the Pool lost above ten million dollars in addition to this, which Pool members will be obliged to make up, from future crops.

Dissolution of the Pool as quickly as possible is my suggestion for a remedy.

G. A. SYLTE.

Kindersley, Sask.,
Jan. 5, 1931.

Other People's Views

The Same Old Market

Wall Street Journal, New York.—When the stock market was at its peak in 1929, and the butcher, the baker and the candlestick maker and others were accumulating wealth beyond their fondest hopes, Charles M. Schwab was not climbing for stocks. He sold long before the market reached its peak. But as the market continued to soar 5, 10, 20 and more points beyond where he had sold, he began to weaken a little.

"I guess I am wrong," Schwab remarked to a friend. "It is a new generation, a new order of things we failed to visualize. I guess we older men need a little blood transfusion from the younger generation. We are a little too old fashioned."

But events since then have proved Schwab's judgment right that stocks cannot get far beyond respective intrinsic values and stay there indefinitely. The 20 times earnings per share theory has been smashed to smithereens, and we have the same old market back with us. Instead of inflation, as was the case in 1929, it is deflation with scores of stocks selling far below intrinsic worth.

Any broker will tell you that less money was lost in the inflation period by the older generation than by the newer generation. Proof of that is that the older generation, that is operators who have more than one panic stripe on their sleeves, have money to buy stocks with at current levels, although few escaped heavy paper depreciation in the decline that began with the first big break in October, 1929.

Stop Me If You've Heard This One

Dined recently in London, Eng., C. H. G. Short, president of the Canadian National Millers Association remarked that the dread of having to make a speech rather dissipated his happiness, and this reminded him of a story. A dear old lady was present as guests at a pageant, in which a number of the people taking part represented various famous Roman characters. She went around speaking to this and that one of the performers, until she came to one melancholy, knock-kneed individual, to whom she said: "Ah, you should be Appius Claudius!" The individual promptly replied: "Well, perhaps I should, but I feel as miserable as 'ell."

Foreign Branch Plants Welcomed to Canada

The decision of the Hudson's Bay Company, which will likely be endorsed by the shareholders in London this week, to segregate its Canadian stores and have them managed from, and indeed partially owned in Canada, is a recognition by the oldest Canadian business institution that Canadian enterprises cannot be managed from a distance of 4,000 miles. The most successful of British companies doing business throughout the world have long recognized this fact.

The example of Lever Brothers may be cited. This company does business in every corner of the world, and has branch firms and distribution systems in practically every country. In all cases the local plants and warehouses are managed on the spot by local residents and are owned by locally incorporated companies with local directors. The enormous success of Lever Bros. in Canada is to a considerable extent due to the fact that Canadians manage the company and are responsible to the company in Great Britain only for the success or failure of their own policies and not for their degree of adherence to policies established by the home directorate.

This applies to Lever Bros. interest in United States. Probably only a small fraction of one percent of the customers of Lever Bros. in the United States even know that they are purchasing the products of a company controlled in Great Britain, so Americanized are the products, the advertising, the sales methods, the production methods, etc. Lever Bros. with sales of $40,000,000 in the United States and $9,000,000 in Canada is an example of the power of local management.

General Motors of Canada Benefits from Affiliation

Another example is General Motors. Its Canadian subsidiaries are managed in Canada and General Motors of Canada is so much a Canadian institution that few car buyers ever think of its products as American products, and indeed there is no reason why they should, since they are made in Canada to a very considerable extent and the company is constantly striving to increase its Canadian percentage of material and labor. In the case of both Lever Bros. and General Motors there are great advantages in the Canadian companies being affiliated with a globe-encircling organization. They have the benefit of engineering and research activities that they could not themselves afford to carry on. R. S. McLaughlin, president of General Motors, recently stated that in his opinion it is not economically feasible to design, develop and manufacture a car complete in Canada in competition with cars made in outside countries where tremendous volume production prevailed. A strong affiliation with the parent organization having large production is necessary, he thinks, if an automobile manufacturing organization in Canada is to carry on at all under existing conditions.

An Opportunity, Not Plea for Assistance, is Basis

Canada wants branch plants of foreign companies whether American, British or those of other nations. When we seek the establishment of such branch plants we are not asking for help in the solution of our problems but rather we are presenting an opportunity for profitable operation in Canada. Those who come with their branch establishments will be welcomed and will be given the opportunity to work alongside of Canadian owned institutions and to compete on favorable terms.

It is only occasionally that any resentment is expressed in Canada at foreign ownership or affiliation of any Canadian company. This resentment is confined to narrow-minded Canadians who do not realize what Canada gains from these branch plants, not only in increased industrial and similar activity at home, but in advice in industrial advance based upon engineering activity and research, in co-operation from business men of other countries whose abilities and energy are brought to play upon the development of Canadian resources. The occasional flare-up of opposition to an outside-controlled enterprise is difficult for reasonable business men to understand. For instance, recently some narrow-minded Canadian contractors endeavored to boycott another Canadian contracting firm because it had an affiliation with a United States company of similar name. In this case, the Canadian company was incorporated in 1909 and has erected some of the largest buildings in various cities of Canada. Its staff is entirely Canadian and it contributes to Canadian suppliers and to Canadian labour just as much value as any strictly Canadian-owned organization. Yet there is a distinct advantage in its American affiliation in that it is able to secure from the parent company in the United States expert advice on questions which are met with frequently across the line

The establishment of branch plants works both ways. There is no reason why Canadian concerns should not build their activities on a world basis. A number of Canadian concerns have branch plants outside of this country. Many more might follow the example. In time Canadian industry will be represented in every country of the world, not only with selling but with manufacturing activities. The establishment of branch plants in Canada of foreign concerns will help to speed this movement as is shown by the activities, for example, of the Ford Motor Company of Canada. The Canadian company is affiliated with Ford Motor Company of United States both through a contractual arrangement and by the stock ownership in both companies of Henry and Edsel Ford. The Ford Motor Company of Canada has two assembly plants abroad.

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Branch Office: 23 Simcoe St. North, Oshawa

47th ANNUAL STATEMENT
Year Ending December 31st, 1930

ASSETS		
Office Premises—		
Company's Property, cor. King and Victoria Streets, Toronto		$250,000.00
Mortgages—		
Principal	$1,403,088.57	
Interest	30,881,88	
		1,433,970.45
Loans on Bonds and Stocks (All repayable on demand).		2,005,658.86
Bonds and Stocks owned—		
Bonds, Dominion of Canada and Provinces thereof	$2,347,894.62	
Other Bonds and Debentures	2,085,398.51	
Stocks	3,203,563.87	
		7,636,857.00
Cash—		
On hand and in Chartered Banks		807,289.89
		$12,133,776.20

LIABILITIES		
To the Public—		
Debentures		$1,836,907.04
Deposits		5,395,548.90
To the Shareholders—		
Capital Stock: (Authorized $5,000,000.) 25,000 Shares, fully paid up		2,500,000.00
Reserve Fund	$2,100,000.00	
Dividend, due Jan. 2nd, 1931	75,000.00	
Special Bonus, 3% due Jan. 2nd, 1931	75,000.00	
Profit and Loss Account	151,320.26	
		2,401,320.26
		$12,133,776.20

PROFIT AND LOSS ACCOUNT

Balance at Credit of Profit and Loss Account, December 31st, 1929	$133,685.71
Net Profits for the year, after deducting all Management and other expenses, Interest on Deposits and Debentures, and making provision for all losses	392,634.55
	$526,320.26
Appropriated as follows:—	
Quarterly Dividends, Nos. 184,185,186 and 187, amounting to 12% on the Company's paid-up Capital	$300,000.00
Special Bonus of 3% for the year 1930	75,000.00
Balance carried forward	151,320.26
	$526,320.26

BOARD OF DIRECTORS

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E. R. WOOD
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SURPLUS OF ASSETS OVER LIABILITIES TO THE PUBLIC OVER $4,900,000.00

Business Conditions in Canada

NEWFOUNDLAND COD LIVER OIL HIGHLY PRAISED

Medicinal Value of Cod Liver Products is Unrivalled, Experts Find

A document which may prove of considerable significance to Newfoundland in the marketing of its cod liver oil, has just been published in London, England, in the form of a report by the Empire Marketing Board, on the "Relative Values of Cod Liver Oils from various sources.

According to the London Times, "The research work carried out has demonstrated beyond doubt the unrivalled medicinal value of the cod liver oils produced in Scotland and Newfoundland," states Dr. T. Drummond Shiels, M.P., chairman of the Research Grants Committee of the Empire Marketing Board, in the preface. "This result, together with the improvement in technical quality which is being effected in Newfoundland, should go far to establish the position of oils from Empire sources." Last year Newfoundland exported over 364,000 gallons, valued at about £98,500, of medicinal cod liver oil.

The high vitamin value of the Newfoundland product, Professors Drummond and Hilditch state, can be traced to the fact that the Empire's "pastures of the sea," like its land pastures, are particularly rich.

The prejudice which exists in some quarters against the yellow color of Newfoundland oils is without foundation, according to the report, for this darker color is natural and indicates that the product is richer in vitamins than the whiter oils, and not that it is less carefully refined. A parallel is to be found in the fact that the vitamin A value of butter is, roughly speaking, proportional to the amount of natural yellow pigment present. With regard to the increasing use of cod liver oil as a winter feed for farm stock, it is stated that oil intended for the use of cattle and poultry should be of a quality little inferior to that employed for human consumption.

Business Briefs

Car Loadings in the week ended January 3, 1931, totalled 36,336, a gain of 35.6 per cent over the preceding week but 18.2 per cent below the corresponding week of 1930. Increase over the preceding week is due to gains in miscellaneous loadings, grain, coke, pulpwood and pulp and paper. Shipments of grain also increased by 16.9 per cent over the amount reported for the week ended January 4, 1930.

Leather Footwear manufactured in Canada in November totalled 1,124,798 pairs as against 1,552,392 pairs in October and 1,473,741 pairs in November, 1929. Decline from October is regarded as usual seasonal fluctuation but both months had a lower production than in any corresponding month in the past five years.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	Weekly Latest 1929	Cumulative Jan. 1, to date 1930	Cumulative Jan. 1, to date 1929
C.P.R. Gross earn. (Jan. 7, 31)	$ 2,422,000	$ 2,695,000	......	......
C. N. R. Gross earn. Jan. 7, '31)	$ 2,775,684	$ 3,597,284	......	......
Car Loadings (Jan. 3, 31)	36,336	44,430	......	......
Common Stock Index (Jan. 8, 31)	107.9	162.8	......	......
Production—	Monthly			
Pig Iron, tons (November)	46,360	86,516	708,155	1,007,612
Steel, tons (November)	71,740	93,648	948,022	1,297,273
Newsprint, tons (November)	201,703	252,050	2,313,391	2,659,885
Automobiles (November)	5,407	9,424	148,570	257,800
Boots and Shoes, pr. (October)	1,552,392	1,936,372	14,898,392	16,756,338
Flour, bbls. (November)	1,739,375	1,628,015	15,419,320	17,480,151
Mineral Production—				
Gold, oz. (October)	186,370	182,052	1,680,329	1,608,239
Silver, oz. (October)	1,968,786	1,906,483	21,871,282	19,468,199
Nickel, tons (October)	3,730	3,655	45,639	43,264
Copper, tons (October)	11,840	10,353	129,737	104,113
Lead, tons (October)	13,046	15,525	138,580	129,876
Zinc, tons (October)	12,546	7,024	110,209	82,059
Coal, tons (October)	1,630,013	1,598,568	12,181,562	14,477,329
Natural gas, M. cu. ft. (Oct.)	2,257,457	2,080,908	22,642,002	21,915,969
Petroleum, bbls. (October)	171,352	114,030	1,210,101	904,991
Automobile Financing—				
Used Cars (October)	$ 2,475,741	$ 2,971,643	$ 29,666,142	$ 35,723,222
New Cars (October)	$ 1,266,065	$ 3,869,531	$ 27,054,381	$ 44,267,656
Construction—				
Building Permits (November)	$ 11,791,478	$ 16,171,400	$ 148,349,706	$ 220,255,867
Contracts (December)	$ 24,542,300	$ 32,549,000	$ 456,999,600	$ 576,651,800
Labor—				
Employment Index (Dec.)	108.5	119.1	......	......
Trade—				
Imports (November)	$ 76,363,802	$ 108,733,697	$ 948,180,284	$1,214,627,537
Exports (November)	$ 73,060,871	$ 111,068,332	$ 819,086,698	$1,093,891,958
Imports of Key Products—				
Rubber, lbs. (November)	4,766,000	6,062,000	56,974,866	74,737,786
Cotton, lbs. (November)	15,786,000	18,159,000	88,140,000	183,809,967
Sugar, lbs. (October)	67,778,600	92,403,300	707,347,200	710,225,900
Petroleum, crude, gal. (Nov.)	74,970,000	149,760,000	460,089,446	995,589,383
Coal, tons (November)	1,571,487	1,865,928	16,396,942	17,284,801
Exports of Key Products—				
Newsprint, cwt. (October)	3,896,395	4,024,998	34,631,795	45,933,076
Automobiles, No. (November)	2,663	5,973	41,653	97,472
Wheat, bush. (December)	22,230,397	15,960,792	207,761,067	211,945,589
Wheat, flour, bbls. (December)	601,894	604,979	7,514,778	9,573,880
Electric Power—Output—				
M. Kilowatt hours (November)	1,485,136	1,595,048	16,178,665	16,090,896
Population—				
Emigration (November)	1,476	6,089	40,365	65,332
Immigration (July)	8,383	16,465	80,178	117,824
Finance—				
Failures, No. (Oct.)	216	176	1,941	1,766
Failures, Liabilities (Oct.)	$ 4,017,101	$ 2,050,232	$ 40,565,515	$ 32,391,423
Bank Debits (November)	$2 973,627,955	$4,176,749,612	$34,479,077,931	$42,866,333,084
Bond Sales (December)	$ 34 131,954	$ 122,921,059	$ 746,603,307	$ 653,388,556
Insurance Sales (Nov.)	$ 46,868,000	$ 56,673,000	$ 518,182,000	$ 558,855,000
Wholesale Prices (1913=100)—				
General Index (December)	77.8	96.2	......	......
Iron and its products (Nov.)	89.4	93.4	......	......
Cottons, raw	62.6	100.2	......	......
Grains	44.8	50.5	......	......
Live stock	92.0	111.5	......	......

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Trend Continues Weak in All Lines

	Canada	United States
Commodi' Prices:	December index of wholesale prices 77.8; 2 points under November.	Increases balance declines during past week.
Iron and Steel:	No substantial increase in steel production is reported.	U. S. Steel unfilled orders increased by 303,960 tons during December.
Foreign Trade:	Further decline expected in December, 1930 figures.	Exports off 26 p.c. in 1930; imports 31 p.c. below 1929 total.
Car Loadings:	Gained 35.6 p.c. in week ended Jan. 3 but 18.2 p.c. below a year ago.	Remain 16 p.c. below corresponding week in 1930.
Employment:	Industrial activity continues at slow rate.	Re-opening of automobile plants creates labor demand in larger centres.
Stock Markets:	Generally stable with advances shown by several leading issues.	Activity of first week of 1931 has largely abated.
Credit:	Collections on current purchases, slow to fair; on old accounts, negligible.	New low money rates not reflected by increase in demand.
Week's Highlight:	Optimism as to future business recovery is largely tempered by hesitancy as to immediate outlook.	Statistics give no evidence of upward turn in business activity as a whole.

Canada's Export Market Big Field to Watch in '31

Yields 27 Per Cent of Industrial Production—Analysis Shows Commodities and Countries Which Loom Large in Canadian Export Trade

A Weekly Review of Business Conducted by The Financial Post

What can Canada expect of her export trade in 1931?

In 1929 approximately 27 per cent of the net production of Canadian industry was exported. This figure is based on the exports of Canadian produce which for the calendar year amounted to $1,182,000,000 and on the estimated value of all industrial production which was left in producers hands after eliminating the value of materials consumed in the production process, and which for 1929 is estimated by The Financial Post Business Year Book at $4,288,450,000. In other words in that year more than one-quarter of all industrial production in Canada (which includes of course agriculture, manufacturing, fishing, mining and so forth) was exported.

In 1930, the latest figures available, covering the first eleven months of the year, indicate that exports had fallen off 25 per cent or $275,000,000 and that toward the end of the year, on the basis of November figures, the decline had reached as much as 35 per cent.

Is Trade on Sound Basis?

This has led many business leaders to question the vaunted supremacy of Canada's export trade and to question whether or not the foundation upon which Canada has achieved fifth place among trading nations of the world, is a sound one.

It is well known, for instance, that two single commodities, namely, wheat and newsprint, tower high above all other Canadian exports on the basis of value. The following summary of Canada's twenty-five leading exports for the fiscal years ending March 31, 1929 and 1930 show clearly how predominant is this leadership, but indicates also the substantial trade in other world commodities that has been developed.

It will be noticed that in this table comparative figures for 1910 and 1920 are given. Such a comparative record shows clearly the extent of our present trade as compared to earlier years. Of course some commodities such as cattle exports for instance have suffered a drastic decline in that period and others have entirely disappeared which in earlier years would have ranked easily among the leading exports but for the most part it includes commodities which twenty years ago played little or no part in our export trade.

Countries Are Important

However, in reviewing foreign trade prospects for 1931, the interesting thing to note is the destination of our leading exports with a view to ascertaining to what countries in particular we must look during the year for a market for our goods. The table below shows at a glance the chief markets to which our twenty-five leading commodities were sent in the year ended March 31, 1930.

It reveals, for instance, that out of the twenty-five leading exports, fourteen find their biggest market in the United States, while only seven find their biggest market in United Kingdom. In all there are some seventeen or eighteen nations named as being our best customers in these twenty-five commodities, and reference to a list of the leading nations to whom Canada's domestic exports are sent shows that practically all these nations are found in the following list of Canada's fifteen best customers:

	Value of Exports, 1930 $		Increase or decrease from 1929 $
United States	514,957,553	+	15,345,408
United Kingdom	281,838,175	—	147,892,310
Japan	30,475,581	—	11,624,387
Germany	25,343,661	—	21,365,143
Belgium	21,692,858	—	5,608,526
Argentina	19,206,746	+	4,713,555
New Zealand	16,527,959	—	7,714,548
China	16,527,959	—	7,714,548
France	16,507,011	+	375,823
Australia	16,322,771	—	3,147,534
Netherlands	15,944,469	—	28,422,419
Newfoundland	12,178,392	+	1,017,882
Italy	11,387,294	—	11,637,605
Br. So. Africa	10,917,642	—	1,314,131
British India	9,116,251	—	2,742,185

This shows how vital the United States is as a factor in Canada's export trade, in spite of the fact that Canada does business with some 95 nations of the world, and means that Canada must watch closely the business situation in that country not only for its relationship to our own domestic business outlook, but also for the bulk of our export trade.

U. S. Banker Would Cancel War Debts

Further support to the stand taken during 1930 by several outstanding Canadian business men in regard to the cancellation of inter-allied war debts, is contained this week in the address of Albert H. Wiggin, chairman of the governing board of Chase National Bank. Commenting on the factors which brought about and prolonged the present business depression in the U. S. A., he finds the most serious one the inability of foreign countries to obtain dollars in amount sufficient both to make interest and amortization payments on their debts and to buy our exports in adequate volume.

He then states:

"Cancellation or reduction of the inter-allied debts has been increasingly discussed throughout the world. This question has an importance far beyond the dollar magnitude of the debts involved. Without commenting on the many arguments on both sides of the controversy and aside from the question of the justice of cancellation, I am firmly convinced it would be good business for our government to initiate a reduction in these debts at this time."

Expressed in a percentage basis, the latest figures show that United States took 45.9 per cent of our total export trade in the fiscal year ended March 31, 1930; that the United Kingdom took 25.2 per cent, while other British Empire countries took 8.8 per cent, and all other foreign countries the remaining 20.1 per cent. The following table shows how our export trade was divided by continents during the past three years:

Export Trade by Continents
(Per Cent of Total)

Exports (Can.) to:	1928 %	1929 %	1930 %
Europe—			
United Kingdom	33.4	31.5	25.2
Other Europe	13.5	15.6	11.3
North America—			
United States	38.9	36.7	45.9
Other N. America	2.3	3.1	4.1
South America	2.6	2.4	3.1
Asia	5.4	6.4	5.6
Oceania	2.1	2.8	3.2
Africa	1.2	1.5	1.6
Total exports	100.0	100.0	100.0

Below then are the products and the nations which Canada will have to depend upon very largely in 1931 for an export market. Of course, there will be in all probability certain new markets opened during the year as there will be certain markets closed. China, for instance, promises to offer excellent potentialities if a substantial credit can be arranged and the value of the silver dollar restored to a satisfactory level. Australia on the other hand will probably show a decline at the end of the year unless purchasing power can be restored and a new and more satisfactory trade agreement established. New Zealand promises to show improvement if the new treaty now being worked out can be brought into effect.

CANADA'S LEADING EXPORTS AND MARKETS

	1910*	1920*	1930*	Chief Markets, 1929-30†
Wheat	52,609,351	185,044,806	215,758,475	U.K.; Belgium; Japan; France; Germany; Netherlands.
Printing paper	2,612,243	53,640,122	145,401,482	U.S.A.; U.K.; Australia; Argentina.
Planks & boards	33,100,387	75,216,193	49,446,887	U.S.A.; U.K.; China; Japan; Australia.
Wheat flour	14,859,854	94,262,928	45,457,195	U.K.; China; Germany, Jamaica.
Wood pulp	5,204,597	41,383,482	44,913,995	U.S.A.; Japan; U.K.; France.
Copper ore & blister	6,023,925	11,871,039	37,735,413	U.S.A.; Germany.
Automobiles	405,011	14,883,607	35,307,645	New Zealand; Australia; Argentine; U.K.; Br. South Africa; Dutch E. Indies; Chile.
Fish	15,179,015	40,687,172	34,767,789	U.S.A.; U.K.; Australia; B.W.I.; France; Italy.
Gold, raw	6,016,126	5,974,334	34,375,068	U.S.A.
Whiskey	1,010,657	1,504,132	25,856,136	U.S.A.; St. Pierre & Miq.; B.W.I.
Nickel	3,320,054	9,039,221	25,034,975	U.S.A.; Netherlands; Italy; U.K.
Furs, raw	3,749,005	20,628,109	18,706,311	U.K.; U.S.A.
Farm implements	4,319,385	11,614,400	18,396,688	Argentina; U.S.A.; Russia; Australia.
Cheese	21,607,692	36,336,863	18,278,004	U.K.; U.S.A.; Newfoundland.
Rubber tires	....	7,395,172	18,039,924	N. Zealand; Argentina; Br. S. Africa; Br. India; Brazil.
Meats	8,013,680	96,161,284	15,030,671	U.K.; U.S.A.; Newfoundland.
Pulpwood	6,076,628	8,454,803	13,860,209	U.S.A.
Aluminium (bars)	1,202,723	5,680,871	13,828,010	U.S.A.; Japan; U.K.; Switzerland; Br. India.
Cattle	10,792,156	46,064,631	13,119,462	U.S.A.
Asbestos, raw	1,886,613	8,767,856	12,074,065	U.S.A.; Germany; Belgium; Japan.
Silver	15,009,937	14,255,601	11,569,855	U.S.A.; China; Br. India.
Vegetables	1,534,228	11,656,483	11,240,747	U.S.A.; Cuba; U.K.; Newfoundland.
Lead	529,422	1,198,144	10,637,887	U.K.; Japan; Belgium; Netherlands.
Barley	1,107,732	20,206,972	10,388,735	U.K.; Germany; Netherlands.
Rubber footwear	129,618	1,750,967	9,986,392	U.K.; Denmark; New Zealand; Newfoundland.
Total (all commodities)	279,247,551	1,239,492,098	1,120,258,302	

*Fiscal years. †In order of their importance.

IRON AND STEEL GAIN 1929 REPORT SHOWS

Output Was Valued at $72,231,995 From 45 Plants

Consistent growth is shown for the Canadian primary iron and steel industry in statistics for 1929 just issued. The number of plants increased from 40 to 45 although capital employed in 1929 was only $109,446,529 as compared with $114,292,363 in 1928. The average number of employees increased to 11,218 from 9,057 in 1928 while the salaries and wages paid also gained at $18,534,681 as against $15,470,836 the preceding year. The cost of materials used was $32,514,596 as compared with $27,164,463 in 1928.

Sales of primary iron and steel products in 1929 amounted to $72,231,995 and represented an increase of 16 per cent over 1928. Sales include pig iron, ferro-alloys, steel ingots and direct steel castings and rolled iron and steel products. Firms engaged principally in this line of production numbered 45 of which 18 were in Ontario, 13 in Quebec, six in Nova Scotia, four in Manitoba, three in British Columbia and one in Alberta.

Blast furnace production of 1,080,160 long tons of pig iron gained 4 per cent on the previous year. The output included 770,478 tons of basic iron, 221,644 tons of foundry iron and 88,038 tons of malleable iron. Ontario accounted for 71 per cent of the Canadian output as in the previous year and Nova Scotia for the remainder.

Production of ferro-alloys increased almost 100 per cent over the 1928 output with 89,116 long tons as compared with 44,882 tons the previous year. Steel ingots and castings at 1,378,024 tons, increased 12 per cent over the 1928 total. Steel ingots amounted to 1,309,606 tons chiefly intended for further use of the makers while 68,418 tons of steel castings were made chiefly for sale.

Rolling mill sales were valued at $50,758,322 in 1929 as compared with $46,565,831 in 1928. During the year 1,607,063 long tons of iron and steel passed through the rolling mills of which 1,426,757 tons came from the producers' own plants.

B. W. I. Seeks Trade With Canada

Barbadoes Advocate

If it be true that Canadian merchants and manufacturers have a golden opportunity to commandeer the West Indian market, it is equally true that the West Indian producer can find a ready and lucrative market for the produce in Canada. Prior to the inauguration of the new steamship service in accordance with the terms of the Canada-West Indies Trade Agreement West Indian fruit and vegetables were almost invariably shipped to Canada via New York and the Canadian retailer had no means, even if he desired to know, of ascertaining whether produce was of West Indian origin or not. Thanks to the special tariff concessions in the trade agreement and no less to the preferential treatment given in the Dunning budget, West Indian vegetables and fruit, which are shipped direct to Canadian ports enjoy special advantages, and the volume of direct trade between these colonies and the Dominion shows an appreciable increase. Moreover we are only at the beginning.

Canadian importers have sometimes displayed impatience at the inability of West Indian farmers to supply the articles which they are in a position to handle. Why, it is asked, with the special concessions on grape fruit, for example, there are no larger shipments from West Indian ports? Fortunately the misunderstandings which might have resulted in a serious set back to trade between Canada and these islands has been obviated by the explanations of Mr. Geoffrey Evans and other prominent officials who have visited Canada during the past year. A grape fruit tree, as Mr. Evans explained takes at least five years to mature, and while there are doubtless many thousand tons of fruit available for shipment to the Canadian market, it must be realized some years must pass before the West Indies will be in a position to satisfy Canada's needs for fruit.

But if it is necessary to impress upon the Canadian importer that fruit trees take time to mature, it is also imperative to convince the West Indian farmer that the happy-go-lucky methods of fifty years ago are no longer applicable, and that organization of distribution is essential if trade is not only to be captured but to be held. Our chief competitors in the Canadian market are farmers of the United States, who have reduced the distribution of their fruit and vegetables to a fine art. The growers of oranges in California or Florida for example have combined to grade, select and pack their fruit in such an attractive form that the ordinary housewife in Canada cannot resist the temptation to buy.

Not indeed that some progress has not been made in the matter of organization in the West Indies. In more than one colony the Government has undertaken the duties of grading and packing, thereby ensuring the reputation of their produce. Even in this island the necessity for grading, better packing, and better service is recognized, and the formation of the Barbados Producers Co-operative Association proves that it is not only the government but also semi-private individuals who are ready to develop a trade in vegetables and fruit with Canada. It will doubtless take some considerable time to popularise the West Indies potato, the grape and citrus fruit and other vegetables and fruit among the Canadian householder. But it can hardly be suggested that even now the West Indian takes full advantage of the existing limited market. Once again it is necessary to point out that markets can only be won and kept by strictly business methods, and that quality, service and price are more potent factors than sentiment and tariff walls. There must be a great awakening of West Indian planters before we can enter into our full heritage as exporters to the Canadian market.

In spite of the treaty and the Dunning budget there are certain impediments to the development of trade which can be removed by the efforts of intelligent politicians. At present we know little of scientific tariffs and the present system of preferential ad valorem duties though doubtless advantageous, is by no means ideal. As a matter of fact a great impetus could be given to Canada-West Indian trade by a slight readjustment of the tariff schedules.

It would be perhaps unwise to certificate the work of the proposed West Indian delegation to Canada, but there can be little doubt that the main duty of any delegation is to submit proposals for reciprocal concessions. West Indian sugars, for example, can be further protected especially if we offer special protection to Canadian flour and oil meal. It is essential, however, that this readjustment of tariffs should be planned by men acquainted with the intricacies of commerce so that we may obtain the maximum income from customs duties, while at the same time making concessions to Canadians and keeping the cost of living within reasonable bounds. There is, in our opinion, a great opportunity for trade expansion, and the first step is a revision of the trade agreement so that West Indian sugar farmers may receive a remunerative price for sugar as to enable them to become good customers of Canadian merchants and manufacturers. It is, indeed, a golden opportunity, and if we should fail to seize it, we should, in the words of the apostle, be of all men most miserable, not to say foolish.

Wheat Exports abroad during the week ended January 2, 1931, amounted to 2,131,367 bus. of which 611,000 bus. was Canadian wheat shipped from United States Atlantic ports and 1,520,367 bus. were shipped from Canadian ports.

Timely Investments
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219 Bay Street Toronto
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BARCLAYS BANK LIMITED
54 Lombard Street London, E.C. 3, Eng.

Prairie Provinces Ship Poultry

The Prairie Provinces furnished a large quota of the festive season's poultry supplies. Some 177,600 dressed poultry, making a total of 1,750,000 pounds, were shipped over the Canadian Pacific lines between December 3 and 20, inclusive. There were 30 carloads from Manitoba, 22 from Saskatchewan and 16 from Alberta.

ADMINISTRATION & TRUST COMPANY
(Société d'Administration et de Fiducie)
(Established in 1902)
Executors *Administrators* *Trustees*
HEAD OFFICE MONTREAL
5 St. James St. East - Credit Foncier Building
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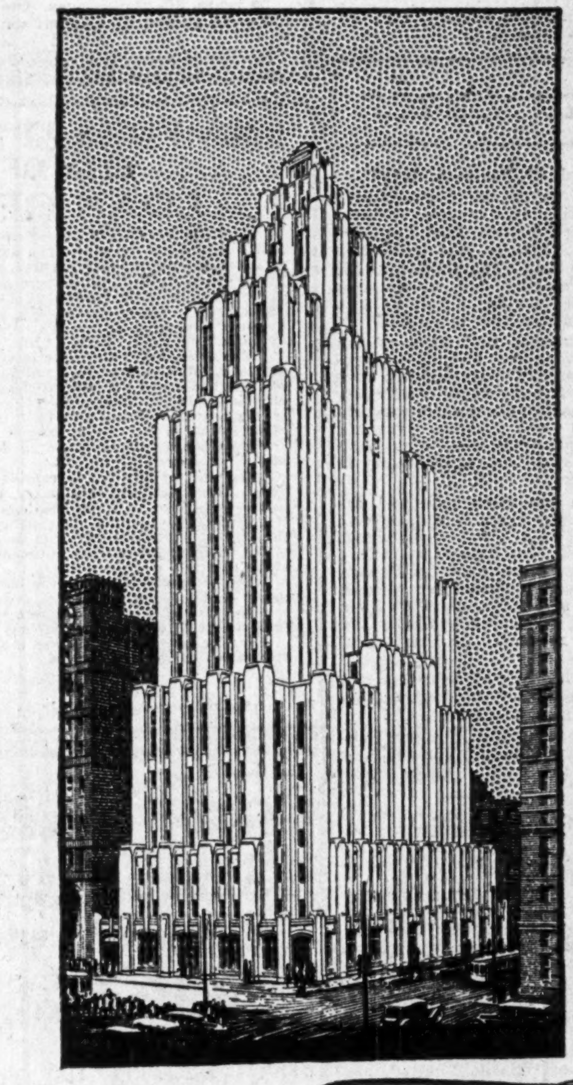
Storey after Storey of uninterrupted sunlight



FROM the street to the twenty-third storey, the new Aldred Building on Place d'Armes is a veritable network of windows. Choose whichever floor you wish . . . you are assured of abundant light and air on any side of the building.

If you require large office space, you may enjoy the economy and convenience of having your whole suite of offices located on one floor. If you require smaller space, you may choose a section admirably suited to your requirements. Each floor is planned for convenient office arrangement.

Throughout the building every provision has been made for the comfort and convenience of tenants and their clients. There is ample wash-room accommodation, with wash-rooms for men and women on each floor. Glass on all the office lighting fixtures is "Celestialite", which most closely approximates daylight. All the hardware has been specially designed. A restaurant and safe deposit vault will be operated in the building and there will also be a barber shop, newsstand, tobacco shop and telegraph offices.

Six high-speed elevators of the newest type will provide the most efficient service in the city.

Ready for occupancy, February 1st, 1931

Floor plans available now. Telephone or call for information.

ALDRED & COMPANY, LIMITED
Telephone: HArbour 7117.

The ALDRED BUILDING ON PLACE D'ARMES

DIVIDEND NOTICES

Medicine Hat Greenhouses
LIMITED

The regular quarterly dividend of 1¾ per cent for quarter ending January 15th, 1931, has been declared on the Preferred Shares of the Company, payable January 15th, 1931.

By Order of the Board,
MARTYN OLIVER,
Secretary.

De Forest Crosley Radio Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty Cents (20c) per share has been declared on the outstanding shares of the capital stock of De Forest Crosley Radio Company Limited, payable on the first day of February, 1931, to shareholders of record on the fifteenth day of January, 1931.

By Order of the Board.
J. W. PEART,
Secretary-Treasurer.
DATED at Toronto, this 10th day of January, 1931.

Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of eighty-one and one-quarter cents (81¼c) per share on the 6½% Cumulative Convertible Redeemable Preferred shares of the par value of $50 each in the capital stock of Blue Ribbon Corporation, Limited, for the quarter ending January 31st, 1931, has been declared payable on and after February 2nd, 1931, to shareholders of record on January 15th, 1931. The transfer books will not be closed.

Dated at Toronto, Ontario, this 9th day of January, 1931.
J. C. JAMIESON,
Secretary-Treasurer.

Western Steel Products Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend has been declared on the Six and One-Half Per Cent Cumulative Redeemable First Preference Stock of Western Steel Products Limited, payable on the 1st day of February, 1931, to shareholders of record on the 15th day of January, 1931. By Order of the Board.
WM. S. SPARROW,
Secretary.

Dominion-Scottish Investments Limited

NOTICE

Notice is hereby given that the Directors of the Dominion-Scottish Investments Limited, have declared a dividend on the 5% Cumulative Redeemable Preference Stock (par value $50.00) of the Company at the rate of 5% per annum for the quarter ending the 31st January, 1931, payable on the 1st February, 1931, to shareholders of record at the close of business on the 20th day of January, 1931.

By order of the Board.
C. R. ALDERSON,
Assistant-Secretary.
Toronto, 9th January, 1931.

FOREIGN POWER SECURITIES CORPORATION
Limited

6% Preferred Dividend No. 15

A Dividend of one and one-half per cent (1½%) (being at the rate of 6% per annum) on the 6% Cumulative Participating Preferred Stock of Foreign Power Securities Corporation, Limited, has been declared for the quarter ending January 31st, 1931, payable February 16th, 1931, to shareholders of record at the close of business on January 31st, 1931.

By order of the Board.
L. C. HASKELL,
Secretary.
Montreal, December 19th, 1930.

CONSOLIDATED PRESS
LIMITED

COMMON DIVIDEND No. 4

Notice is hereby given that a quarterly dividend (No. 4) of 50c a share on the Class A Common Capital Stock of this Company (being at the yearly rate of $2.00 a share) has been declared. This dividend is payable Feb'y. 2, 1931, to Class A shareholders of record at the close of business at January 15, 1931.

E. L. PATCHET,
Secretary-Treasurer
Toronto, January 6th, 1931.

SIMPSONS, LIMITED
(Incorporated 1929)

PREFERENCE DIVIDEND NO. 6

Notice is hereby given that a quarterly Dividend of One and Five-eighths Per Cent upon the Outstanding Paid-up Six and One-half Per Cent Cumulative Preference Shares of this Company has been declared; payable on February 2, 1931, to shareholders of record at the close of business on the 20th day of January, 1931. The transfer books will not be closed.

FRANK HAY,
Secretary.
Toronto, January 12, 1931.

SIMPSONS, LIMITED
(Incorporated 1929)

CLASS "A" NO PAR DIVIDEND NO. 6

Notice is hereby given that a Dividend of Fifty Cents per share on the Outstanding Paid-up Class "A" No Par Value Stock of this Company has been declared, payable on February 2, 1931, to shareholders of record at the close of business on the 20th day of January, 1931. The transfer books will not be closed.

FRANK HAY,
Secretary.
Toronto, January 12, 1931.

Canadian Dredge & Dock Co., Limited

Preferred Dividend No. 12

Notice is hereby given that a Dividend of one and three-quarter per cent (1¾%) being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co., Limited, for the quarter ending January 31st, 1931, payable February 2nd, 1931, to shareholders of record at the close of business on January 20th, 1931.

By order of the Board.
T. C. LUKE,
Secretary.

Canadian Dredge & Dock Co., Limited

Common Stock Dividend No. 10

Notice is hereby given that a dividend of Seventy-five Cents (75c) per share has been declared on the Common Stock of Canadian Dredge & Dock Co., Limited, for the quarter ending January 31st, 1931, payable February 2nd, 1931, to shareholders of record at the close of business on January 20th, 1931.

By order of the Board.
T. C. LUKE,
Secretary.

BORDEN FORMS NEW COMPANY FOR DOMINION

Will Hold All Shares of More Than 20 Units

CO-ORDINATE EFFORT

Main Purpose is to Allocate Milk Supply Among Factories Throughout Whole Country

Borden's Ltd. is the name of the new Canadian company which will hold, directly or indirectly, all the shares of the 20 or more Canadian companies in dairy business which now are owned by the Borden Co., a New Jersey corporation.

The New Jersey corporation will own all shares of the Canadian holding company. Thus investment interest, so far as the public is concerned, will rest with the shares now traded on the New York Stock Exchange. There are said to be in excess of 2,200 residents of Canada who own shares in the Borden Co. and their holdings total in excess of 6 per cent of the outstanding capitalization of the Borden Co. There is a probability that the shares will be listed on the Toronto and Montreal exchanges.

To Co-ordinate Milk Supply

Capitalization of Borden's Ltd. consists simply of 500,000 shares of common stock of no par value, the stated value to be not in excess of $25,000,000.

One of the main purposes of the organization of the new Canadian holding company is the co-ordination of effort and, when expedient, the pooling of fluid milk supplies. This has become necessary through the acquisition of a number of companies in competing lines. In every instance there has been no change in management, but a central milk committee will direct the flow of raw material in future to the best advantage of all units.

While the new Canadian company will own all the shares of the Canadian operating companies, these will be grouped, for operating purposes, under subholding companies in the United States. There are four of these companies, under which the fluid milk companies, the manufacturing companies, the ice cream companies and the farm products companies operate. The regional and central milk companies coordinate the activities of these companies.

The Canadian units at present owned by Borden are:

Borden Co., Ltd., head office, Montreal, operating in Canada and Newfoundland, with factories at Ingersoll and Norwich, Ont.; at Truro, N.S., and South Sumas, B.C., and Trenton, Ont.

Canadian Milk Products, Ltd., a subsidiary of the Merrell-Soule Co., Inc., acquired by the Borden Co. in 1928. Factories are at Tillsonburg, Belmont, Burford and Russell, Ont.

Baumert Co. Ltd., manufacturers of cheese, with a factory at Huntingdon, Que.

In Montreal and Ottawa

Moyneur Co-operative Creamery, Ottawa.

Borden's Farm Products Co., Ltd., operating in Montreal and suburbs.

Ottawa Dairy, Ltd., Ottawa and Cornwall Dairy Products, Limited, Cornwall, marketing fluid milk and ice cream.

Laurentian Dairy Limited, Ottawa, marketing fluid milk, especially "homogenized" milk.

Cairns Creameries, Ltd., Niagara Falls, Ont.

Chateau Cheese Co., Ottawa.

J. J. Joubert, Ltée, Montreal, marketing fluid milk, etc.

Pure Milk Co., Hamilton Dairies, Ltd., Hamilton, Ont., marketing fluid milk and ice cream.

Walkerside Dairy, Windsor City Dairy and Ballantyne Dairies, Ltd., operating in Windsor and the Border Cities area.

Wesgate Ice Cream Co., operating in Windsor and the Border Cities area.

Two Companies in Toronto

Caulfield's Dairy, operating in Toronto and suburbs.

City Dairy Co., Toronto, the largest fluid milk unit serving the metropolitan area of Toronto. This company does an ice-cream business throughout a large part of Ontario, serving this territory from Toronto, and is a national enterprise in so far as concerns its subsidiary, Drimilk Co., Ltd., which sells milk powder throughout the country. The company operates plants at these places in Ontario: Courtland, Listowel, Simcoe, Staffordville, Villa Nova, and Princeton. City Dairy Farms, Ltd., is another wholly-owned subsidiary, with 740 acres at New Lowell, Ont.

Halls, Ltd., eggs, poultry, etc., Toronto and Winnipeg.

DIVIDEND NOTICES

Canadian Investors Corporation, Limited

Dividend No. 4

A DIVIDEND of 25 cents per share, being at the rate of $1.00 per share per annum, on the capital stock of this corporation has been declared for the quarter ending January 31, 1931, payable February 1, 1931, to shareholders of record January 15, 1931.

By order of the Board.
M. J. PATTON,
January 13th, 1931. Secretary.

SERVICE STATIONS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 1½% ($1.50) per share has been declared on the outstanding 6% Cumulative Preferred, and 6% Cumulative Preferred Series "A" Stock of the Company, payable on the 2nd, February, 1931, to shareholders of record on the registers at the close of business on the 15th, January, 1931.

By Order of the Board,
F. J. MAYO,
Secretary.
Toronto, Canada, January 10th, 1931.

McIntyre Porcupine Mines, Limited
(No Personal Liability)

DIVIDEND NO. 49

Notice is hereby given that a dividend of five per cent (5%) on the issued Capital Stock of the Company will be paid on the 2nd day of March, 1931, to shareholders of record at the close of business on February 2, 1931.

By Order of the Board,
BALMER NEILLY,
Treasurer.
Dated at Toronto, January 8, 1931.

POWER CORPORATION OF CANADA
LIMITED

Common Dividend No. 5

A DIVIDEND of Fifty Cents (50c.) per share, being at the rate of Two Dollars ($2.00) per annum, on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, has been declared for the quarter ending January 31st, 1931, payable February 20th, 1931, to shareholders of record at the close of business on January 31st, 1931.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, December 19th, 1930.

Enamel & Heating Products, Limited

COMMON STOCK DIVIDEND NO. 11

Notice is hereby given that a dividend of twenty-five (25) cents per share, being at the rate of One Dollar ($1.00) per annum, has been declared for the quarter ending December 31st, 1930, payable February 1st, 1931, to shareholders of record January 15th, 1931.

By order of the Board.
J. R. STEPHENSON,
Secretary.
Sackville, N.B., January 6, 1931.

Summary of Earnings

A brief analysis of earnings from annual reports received since January 1, 1931. Earnings per share are only shown when depreciation and income tax have been deducted; no calculation is made when profit is before these items. Price-earnings ratios and yields are calculated on the close on Tuesday of current week, or last sale. Company name in bold type indicates listed stocks. "P" signifies preferred issues.

Company	Year End.	Net Income 1930 $	Net Income 1929 $	Earn. per Share 1930 $	Earn. per Share 1929 $	P-E Ratio	Divd. $	Yield %	Surp. after divds. 1930 $	Surp. after divds. 1929 $
Cockshutt Plow	Nov. 30	167,245	807,613	.58	2.80	16¾-1	.60	6.7	*265,655	482,938
Dominion Br.	Oct. 31	1,983,814	2,239,832	3.86	5.46	13½-1	3.60	6.8	171,647	1,012,252
Harding Carpets P	Oct. 31	†2,639	3,225	....	.43	.....	...	...	....	....
Kelvinator ‡ P	Sept. 30	80,593	51,397	12.16	6.80	.....	7.00	9.6	....	....
Do., com.	Sept. 30	80,593	....	§.34	...	11-1	...	...	**34,183	....
Provincial Bank	Nov. 30	381,958	435,384	9.55	10.88	.....	9.00	...	21,958	75,384
Royal Bank	Nov. 30	5,632,627	6,134,137	16.09	17.53	17¼-1	12.00	4.3	732,627	1,412,065

*Deficit. †Before depreciation and taxes ($25,420 in 1929) but after new "reserve against inventories" of $12,000. ‡1930 accounts are consolidated with subsidiary, Kelvinator Ltd. of London, Eng., the entire stock of which is now owned. The preferred dividend has been paid by Kelvinator Corp., Detroit under its guarantee since Aug., 1927. §Disregarding arrears of preferred dividends. **On year's operations after deducting from net profit amount equal to preferred dividends paid by parent company ($46,410). Deficit carried forward now reduced to $40,113.

Quinte and Trent Valley Postpones Bond Interest

From Our Own Correspondent

MONTREAL.—Quinte & Trent Valley Power bondholders have ratified a proposal whereby bond interest payments are waived from Jan. 1, 1931, to July 1, 1932. They also have agreed to waive sinking fund obligations on their bonds during 1930 and 1931. At the end of 1929 there were $614,800 of first mortgage bonds outstanding.

Agreement to postpone interest payments culminates the difficulties which have confronted Quinte & Trent Valley Power since its parent organization, Canadian Paperboard Co., closed its board mills at Frankford and Campbellford. Quinte & Trent Valley supplies these mills with power, as well as supplying energy to the Toronto mill which is still in operation.

Steps have been taken to dispose of the block of power which has been flung on the market but as yet no success has attended this move. Outlook for the company appears to depend on sale of the present surplus power, or resumption of operations at the paperboard mills.

Canadian Paperboard has been operating under a receiver for 12 months, due to adverse conditions in the paperboard market. Reduction in its operations found reflection in earnings of Quinte & Trent Valley Power which passed its preferred dividends in June, 1930. This has now been followed by postponement of bond interest.

Toronto Elevators Is Having Good Year

Toronto Elevators has a satisfactory outlook for 1931, says a letter accompanying the January 15 dividend cheque to shareholders and signed by G. C. Leitch, general manager.

Especially for the first quarter of the year has he found the results entirely satisfactory. After taxes but before depreciation net earnings were equivalent to more than three times preferred dividend requirements and to more than twice dividend requirements after deducting adequate depreciation.

The company entered the winter storage season with 1,250,000 bushels more grain in store at the Toronto and Sarnia elevators than it had at this time a year ago. The company's grain merchandising facilities in the Toronto district are apt to be facilitated by present prices.

New Books

"Yearbook of Business, 1931"

Recognized as the most comprehensive compilation of Canadian business statistics, The Financial Post Yearbook of Business, 1931, is just published. It comes at a time when plans for 1931 are in the making and when, more than ever, accurate and timely data on Canada's economic life is needed.

The old features that have proven valuable to executives and sales managers over a term of years remain; such features as complete surveys of every Canadian industry, facts as to corporation, income and similar taxation, records of insurance, and loan companies, statistics on agriculture in every province.

In addition are some new and expanded features. There is a survey of Canada as a field for branch plants with much statistical data and a survey also of foreign investments in Canada and Canadian investments abroad. Many charts and maps, some of them in two colors, portray graphically the information revealed by statistical data.

This is a handbook of Canadian and Newfoundland business that should be on every business man's desk.

It is published by The MacLean Publishing Company, Limited, Toronto, and sells at $2.

Leland Manufacturing Locate in Toronto

The Leland Manufacturing Company of Dayton, Ohio, manufacturers of fractional horse power electric motors, automatic sign flashing equipment, and mercury switches announce the establishment of a branch plant at Toronto in conjunction with D. M. Fraser Limited, their Canadian representatives.

A new Canadian company called Leland Electric of Canada, Limited, has been incorporated of which D. M. Fraser will be the president. The current company's products are used in almost all countries of the world, and there are representatives in South Africa, South America, Australia, New Zealand and most of the European countries. It is planned that an increasing amount of the export business of the parent companies wherever possible will be advertised to the Canadian firm.

The Toronto Industrial Commission have been largely responsible for this new plant coming to Toronto, the Commission having been active since November with negotiations leading up to the present development.

Nova Scotia Power Offer Meets With Stalemate

From Our Own Correspondent

MONTREAL.—Negotiations carried on between Nova Scotia Light and Power Co. and Cape Breton Electric Co. for the purchase of the latter company's property are reported to have been unsuccessful. Ratepayers of Sydney, whose electricity requirements are supplied by Cape Breton Electric, have signified their willingness that Nova Scotia Light and Power should enter the field and provide power at lower rates than those presently in force.

While Nova Scotia Light has proposed to supply Sydney at a lower rate it is not bound to take any steps to do so. Cape Breton Electric owns the generating station, the distribution system and a tramway system. It is understood that preferred and common shareholders appraise their equity at a figure ranging from $150,000 to $200,000 in excess of the offer made by Nova Scotia Light. There are also bonds outstanding to the extent of over $1,000,000.

November Coal Production Is Below Five-year Average

With a production of 1,315,420 tons of coal in November, Canadian coal mines showed a decrease in output of 22.7 per cent below the average of the past five years for the month of November. The month's production was 19.3 per cent below that of October, 1930.

The month's production consisted of 843,853 tons of bituminous, 51,808 tons of sub-bituminous and 419,759 tons of lignite coal. Exports totalling 62,266 tons during the month were well below the November average of 93,043 tons, in the past five years.

Imports declined 7.7 per cent from the five-year average. Of a total of 445,555 tons of anthracite imported 297,092 tons came from the United States, 113,515 from Great Britain and 29,404 tons from Russia. Bituminous coal received amounted to 1,122,319 tons of which 1,118,665 tons came from the United States.

Saint John Grain Exports

Grain is moving through the Port of Saint John in much larger volume this year than last. So far, (up to December 23) ships have taken 668,361 bushels more than in the similar period of 1929.

MINING CORP. ORE VALUATION NOT DEFINITE

Stock Price Seems to Show Some Buyers Are Hopeful

The official report of the Mining Corp. of Canada, on its diamond drill core assays from the Bannockburn property, leaves much to conjecture as to the values.

The reference to commercial ore over stoping widths does not convey any definite information and has been interpreted by mining interests as meaning around $10 per ton, while others are of the opinion that the values are so sensational that it is in the best interests that the information be withheld.

Stock Sells Higher

The market value of Mining Corp. stock is apparently reflecting the developments at the Bannockburn property as, on January 12, it touched a recent new high of $2.05 per share, the highest it has sold since last April.

The following is the official report:

"The four drill holes so far completed cover a total length of 175 ft. on the strike of the vein, and have cut the vein at an average depth of 85 ft. on the dip of the vein. The average assay results of all cores have shown commercial ore over a stoping width, the vein showing strong and regular in all holes.

"One of the cores just received was taken from under the swamp at a distance of 30 ft. from the most southerly surface showing of the vein.

"Two more holes have been started, one of them 75 ft. farther to the south of the swamp, the other 100 ft. farther to the north, which will make a total of 350 ft. on the strike of the vein.

"The assays received from the cores to date have caused the company to decide on sending, as soon as possible, a complete mining plant to start shaft sinking on the Ashley vein."

NOTICES

A VANCOUVER private investment company with steady dividend record over many years wants additional capital to build another block. Preferred shares $500.00. Eight per cent reasonably assured, higher returns probable. Inquire P.O. Box 305, Vancouver, B.C.

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 28th January, 1931, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 18th December, 1930.

Town of Port Colborne, Ontario

Debenture Issue $113,803.53

Tenders addressed to the undersigned will be received up to Noon, Saturday, the 17th day of January, 1931. For an issue of $113,803.53, 30 years, 5% Debentures. On account of Local Improvements. By-Law No. 91 passed by Council on the 5th day of January, 1931.

H. F. JOHNSTON, Treasurer.

CANADA, PROVINCE OF QUEBEC,
DISTRICT OF THREE RIVERS

CITY OF THREE RIVERS
LOAN OF $478,500.00

PUBLIC NOTICE is hereby given that the Council of the City of Three Rivers will receive until the nineteenth day of January, 1931, at four o'clock P.M., at the office of the undersigned, written sealed tenders, endorsed "Tender for the City of Three Rivers Bonds," for the purchase of said City of Three Rivers Bonds, amounting to FOUR HUNDRED, SEVENTY-EIGHT THOUSAND, FIVE HUNDRED DOLLARS ($478,500.00), issued for various purposes, under By-laws Nos. 72 and 75 duly approved according to law and dated November 1st, 1930, and redeemable by series of annual payments, during forty years from said date.

The above bonds will bear interest at the rate of 5% per annum, payable semi annually, on the 1st of May and 1st of November of each year. Both the principal of these bonds and the interest thereon will be payable at the holder's option, at the chief office of the Banque Canadienne Nationale, in the City of Montreal, or at any of the branches of the said bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

These bonds will be issued in denominations of $100.00 or multiples of $100.00 at the purchaser's option.

The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the 19th of January, 1931, at eight o'clock P.M., or so soon thereafter as the Council or its Committee can do so.

Each tender must be accompanied by a certified cheque payable to the order of the City of Three Rivers, equal to 1% of the par value of the issues. The cheque of the tenderer whose offer is accepted shall be handed to him after the completion of his contract, without interest.

The accrued interest on the bonds must be added to the price of the bonds at the time of their delivery.

The City of Three Rivers reserves the right to reject any or all of the tenders or to accept in whole or in part any of the tenders.

Particulars of the issues and table of maturities of the bonds may be secured on application to the undersigned.

The Treasurer of the City of Three Rivers,
(Signed) JACQUES DENECHAUD.
City Hall, Three Rivers, 3rd January, 1931.

$5.00 will bring you The Financial Post every week for a year (52 Issues)

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Please send me The Financial Post for the next year (52 issues), this to entitle me also to obtain by letter, whenever I wish, a personal reply to enquiries regarding any Canadian investments in which I may be interested. I enclose $5.00.

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Earnings Down First Quarter Of Canada Dry

If current estimates prove correct that Canada Dry Ginger Ale, Inc. will earn only 75 cents a share on the common stock for the last quarter of 1930, which is the first quarter of the current fiscal year, this is a considerable falling off from the corresponding quarter of 1929 when net profits amounted to $1.47 a share. It will just cover dividend requirements at the new rate.

Some will fear that this may mean still lower earnings for the current quarter as in 1930 the first quarter earnings amounted to 88 cents a share and the second quarter earnings to $2.29 a share. The second quarter earnings exceeded those of the preceding year, bringing the total earnings for the year ending September 30, 1930, to $6.64 as compared with $6.92 a share in the preceding year, representing a 5 per cent decline in sales. Even at that sales were more than double those shown in 1925.

Such fluctuations in earnings of a company manufacturing products having a large seasonal summer demand are not unexpected and the company may have in the third and fourth quarters, ending June 30 and September 30, an experience which will allow the year to rank along with other good years. It is believed that total sales of the company have held up much better than the earnings estimated would show. There have been price adjustments which lessen profits but tend to keep sales totals up.

Canada Cement Safety Award

MONTREAL.—Plants of Canada Cement Co. at Port Colborne, Ont., and Exshaw, Alta., have been awarded recognition by the Portland Cement Association for operation throughout 1930 without a single lost-time accident. The two plants had a similar record in 1926 and 1928 respectively.

Western Canada Bank Debits

For the first nine months of the year the percentage of bank debits to individual accounts, compared with the same period of last year, was higher in Western Canada than in Ontario and Quebec, and 2.4 per cent higher than the average for Canada.

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The long established connection and wide experience of Messrs Read, Smith and Company will greatly facilitate the handling of estates and investigations in Saskatchewan.
356 Main Street, Winnipeg, Canada. November, 1930.

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MOOSE JAW
Air Centre of the West

Few people in Eastern Canada can realize the matter-of-fact, business-like way in which commercial flying is taken for granted in Moose Jaw. Since March, 1930, mail and passenger planes have served the city with clock-like regularity and have been heavily patronized.

In this new air age, it is likely that Moose Jaw will owe as much to the development of its air lines as to the advent of the railway in the last century.

To appreciate this, imagine a chain of airports, linked by a string of emergency landing grounds, stretching west from Winnipeg through Moose Jaw to Edmonton and Calgary. Each of these main ports is fully equipped with facilities for night landing, with flashlights, beacons and ground lights. Then, regularly spaced across the thousand odd miles of prairie on the line of flight, are mighty beacons which flash their guiding message through the night.

In the middle of this chain of airports, at a spot picked out as the central point in the western air-mail service, stands Moose Jaw. It is in the centre of all aerial activities in the west; it is the main divisional point in western airway services.

The airport at Moose Jaw is but ten minutes drive from the heart of the city. The field itself is roughly half a mile square; it is of light soil which absorbs moisture rapidly and flying is never hampered by wet ground. The city has erected a large hangar which houses the big planes of Canadian Airways Limited, while the Moose Jaw Flying Club has another modern hangar.

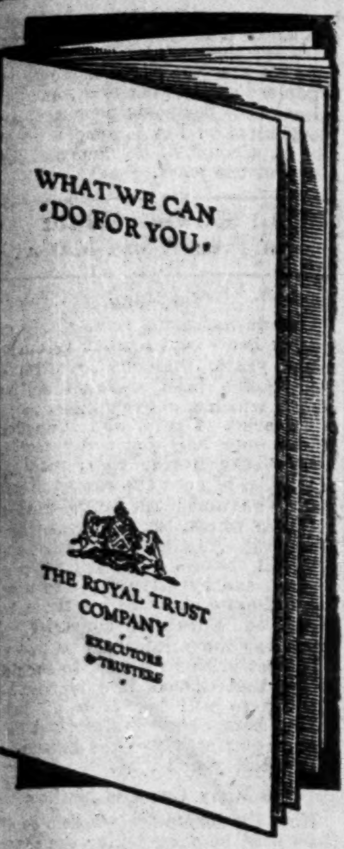
That the air mail service is destined to grow as the country becomes more air minded is seen in the savings in time effected by using the air mail from Moose Jaw as opposed to ordinary service.

In addition Moose Jaw is the only customs air harbor in Saskatchewan and of necessity all planes from foreign countries, landing in the province, must get their papers cleared at Moose Jaw.

It is not difficult to imagine the vast potentialities which aviation offers to the city. Here is an air service which is unique in Canada. It has been built up on sound lines and is run on a business-like basis. It is developing rapidly, and Moose Jaw, as the main divisional point, has already felt some of the benefits which will accrue in the future.

For Further Information as to the Opportunities in Moose Jaw, write

The Commissioner,
THE BOARD OF TRADE,
or
The Industrialization Committee
Moose Jaw, Sask.



A new edition of our publication "What We Can Do For You" is off the press. This booklet will give you a comprehensive view of the Company's operations, and a perusal of its contents will convince you that in many business transactions The Royal Trust Company can serve you. Write for your copy today.

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Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Canadian Paperboard

I hold some bonds of Canadian Paperboard and would be obliged for your opinion on the outlook of the company. Do you look for a resumption of interest payments in the near future?

The outlook for Canadian Paperboard, although improved, is not encouraging. The industry is over-expanded and has suffered from heavy imports from the United States. There is no indication that interest will be resumed at an early date, but aggressive steps are being taken to place the company on a sound footing.

St. Lawrence Paper

I own a small block of St. Lawrence Paper Mills preferred and would appreciate if you would advise me as to what one might expect of this stock in the next two or three years. I understand the company is a low-cost producer. Do you attach any value to the fact that it has contracts to run for some years?

The preferred shares of St. Lawrence Paper Mills, while affected by the adverse conditions, do not occupy an unsatisfactory position. It is true that the company is a low-cost producer, while the capital structure of St. Lawrence Corp. is not unduly heavy. The consolidation of companies comprising the St. Lawrence Corp. should prove constructive, while the preferred shares of St. Lawrence Paper Mills occupy a relatively strong position in the parent company's structure. The fact that the company has contracts on hand to run for some years, tends to stabilize production and earnings.

Cockshutt Plow

Please give me your opinion of the future prospects of Maple Leaf Milling Co. 5½ per cent bonds and Cockshutt Plow Co. common stock.

We consider Maple Leaf 5½ per cent bonds well protected by current earnings, especially since the affairs of the company have come under conservative management.

From the long view Cockshutt Plow common may be a good stock and it is now selling for less than its equity in net tangible assets. You will realize, however, that the purchasing power of the farmers of the world has been considerably depleted in the last year. This will have two effects—in making it more difficult to collect the balance of old accounts, and in limiting the demands for new machinery until farmers are once more operating profitably. People who purchase the stock now should eventually profit from the hold, but it would appear to us to be better to await improved agricultural conditions before purchasing for a hold.

International Paper

I have a well diversified list of investments which include a $1,000 debenture and some preferred and common shares of International Power Co. Would you advise me to sell these holdings? What are the shares traded at?

In view of your diversification we see no particular reason in disposing of your holdings in International Power Co. at present prices. While the company has not increased its earning power since its inception to any appreciable extent it has carried out expansion in the various properties owned, a factor which should find reflection in profits in the future.

Preferred dividends should be earned in 1930 and, although this stock is not especially attractive, we would not advise you to sell at current levels. The common shares are speculative but might be retained until market conditions improve. The preferred is presently quoted around 69 and the common at 7 on the Montreal Stock Exchange.

Silverwood's Dairies

We would be glad if you would give us your opinion regarding the investment value of Silverwood's Dairies. Do you consider this a perfectly safe investment?

You have not indicated whether it is the preferred or common stock of Silverwood Dairies Ltd., that you are interested in. In any case, these stocks are not as yet listed and, therefore, marketability would have to depend on the organization through which the company has been selling the stock.

The company has expanded rapidly during the last five or six years on the basis of stock sales made through agents and apparently has been able to earn the required dividend with a margin. However, the only balance sheet of the company which has been published does not show the financial structure to be just as strong as one would expect for a company doing such a large business. It is probable that a bond issue may be made in order to strengthen working capital and to make the foundation of the company stronger.

It is a promising company and the stock is suitable only for a business man who can follow market conditions in the dairy industry and form conclusions as to the company's own advance. When the company has finished its 1931 financing and has its stock listed and publishes audited and certified balance sheets, one will be in a better position to give an opinion.

Abitibi; Beauharnois

I hold the following stocks purchased outright at the average cost indicated:
50 Brazilian, $42.
50 Imperial Oil, $19.
50 Noranda, $20.
50 Nickel, $17.
20 Power Corporation, $75.
50 Abitibi, common, $14.
50 Beauharnois, common, $10.
30 Can. Pacific, $44.
100 Can. Canners, preferred, $18.
200 Can. Canners, common, $15.

Would you be good enough to give your opinion as to the wisdom of holding all of the above mentioned stocks for a considerable length of time and also your opinion as to the likelihood of appreciation?

If there is any one or more of the above list of stocks that in your opinion should be disposed of immediately, will you please advise.

We see no reason to interfere with your present holdings in the present condition of the market. Abitibi and Beauharnois common stocks are stocks for a long hold with the immediate view clouded, but with the hope that in active times when the newsprint situation is cleared up and the Beauharnois projects are finished they will improve in value.

Brazilian, judged on the basis of its records and earnings, has excellent prospects. One cannot say, however, what effect on market valuations the present business situation in Brazil and the fluctuating value of the milreis will have. Those are impossible to gauge, but if Brazil has in the next few years a slow and steady recovery in business activity the results would be beneficial to this company. It is too early to say when chances will favor the beginning of such a recovery.

British American Oil

I have just come into possession of some common stock of British American Oil. Is this stock worth holding? My certificates are dated May, 1930, and bear coupons. Coupon No. 1 has been cashed; when will coupon No. 2 be due? What are the dividend dates?

I also have some shares of Sterling Milling Co. Can you give me any information about this company and whether there is a market for the stock?

British American Oil Co. common stock appears to us well worth holding. The company has an excellent financial record and over a period of years this stock should do well. The dividend dates are January 1, April 1, July 1, October 1. No. 1 coupon was cashed on July 1 and share warrant holders were asked to present coupon serial No. 2 of the 1930 issue to the Royal Bank of Canada at Toronto or New York for payment on October 1. The regular dividend is 20 cents a share payable quarterly. The October 1 dividend was payable to shareholders of record September 13.

Enquiry among unlisted stock dealers in Toronto failed to find any evidence of Sterling Milling shares being traded in on the street. There has been no market price established. The company, Sterling Milling Co., 2048 Dufferin Street, Toronto, Ont., has a plant at Streetsville, Ont., which is not far from Toronto. On applying to the head office of the company for information, we are informed that there are only four or five shareholders and that this is the reason there are no transactions. Asked what market there would be for the stock, they said that any holder would have to find a market for himself. No dividends are being paid on either the preferred or common stocks and the reason given by the company is that they are in this time conserving all cash resources. They gave us no definite information as to whether present business is profitable or not, but said that they were expanding in sales even at this time.

It would appear to me that in view of the statement, that any shareholder would have to make his own market, you should apply to the company for information as to exactly how it is doing. With this information you could try and secure your own market.

If the information is sufficiently optimistic, possibly one of the four or five large shareholders might be found willing to take it off your hands.

Canadian Vickers

Would you be good enough to give me some information on the prospect of the stock of Canadian Vickers? I assume the product of this company is the Vickers Internal Combustion Engine. Is this so?

Canadian Vickers is gradually improving its position. Within the past two years the company has carried out considerable reorganization of operating activities, costs have been reduced and production placed on a more efficient basis. From an investment viewpoint, however, the common shares do not possess much attraction. Dividends on the preferred were suspended in February, 1930, and earnings in the last fiscal year amounted to $5.25 a share as compared with the preferred dividend rate of 7 per cent.

We understand that the company has no connection with Vickers Internal Combustion Engines.

Montreal Telegraph

Are the shares of Montreal Telegraph Co. comparatively safe? I hold some of the stock in a fairly well diversified investment portfolio.

Montreal Telegraph stock is a satisfactory investment. The company receives annually from the Great North Western Telegraph Co. the sum of $165,000 which is sufficient to take care of dividends on the capital stock at the rate of 8 per cent. These dividends are guaranteed by Western Union Telegraph Co.

Capitol Oil & Gas

What are the prospects of Capitol Oil & Gas Co. and Soondegah Mines Ltd.? I have a few shares in these companies and would like to know if they are worth holding.

Capitol Oil & Natural Gas Co. own leases on extensive acreages in several potential oil fields of Alberta. We know of no work being done at the present time, and the initial efforts of the company in drilling in the Milk River field did not meet with success. Shares in the company can only be regarded as very speculative with little, if any, real worth.

Soondegah Mines Ltd. was still inactive according to last report. The company holds a copper-gold prospect in the Cold Lake District of Northern Manitoba in the vicinity of the Sherritt-Gordon Mine. Like all base metal prospects, it is feeling the effect of low metal prices and it is very difficult to obtain funds to prove up properties of this type. It may or may not have merit, but at the present time it is not at all attractive.

Western Savings & Loan

Please advise me if Western Savings & Loan Association, with head office at Winnipeg, is a well established and reliable company, with which to deposit funds.

Without expressing an opinion as to the ability of Western Savings & Loan Association to be able to pay as much as six per cent. Interest compounded annually or semi-annually throughout the lifetime of the first mortgage saving investment certificates which it sells, we may state that its last financial statement indicated that it had a good position.

The company is subject to the supervision of the Municipal and Public Utility Board of Manitoba and invests its funds only in approved first mortgages, mainly to members of the association or holders of certificates. We would advise these investment certificates only for those who are confident of their ability to maintain payments under the contract throughout the lifetime of the certificates. That should prove profitable to them, but if they abandoned it in four or five years it would not be profitable.

Dufferin Paving

I hold shares of Dufferin Paving & Materials purchased at much higher prices than those prevailing now. What is the position of this company?

Dufferin Paving & Materials has done quite well in 1930, and its prospects appear good for 1931. Naturally, over a term of years their fortunes will depend on the number of paving and other contracts received. There is lots of competition in this business, and in a period of economizing by municipalities, price-cutting might result with an effect on revenues. However, the company is well managed, and it should, on the whole, give a good account of itself.

Capital Trust

We shall be pleased to have you give us any particulars available concerning the Capital Trust Co., of Ottawa, Canada.

Capital Trust Co. has an authorized capital of $2,000,000; total assets of $14,071,000 and has shown steady progress since its incorporation in 1918 in assets, savings accounts and estates under administration.

Profits for 1929 ran to $54,838 or 7.8 per cent on the paid-up capital which pays 5 per cent. The previous year the profits were $51,855.

Savings deposits amounted at the end of 1929 to $4,711,000 and the liquid assets of the company amounted to 62 per cent of this.

The company's progress speaks well for its future prospects.

Graphic Publishers

I should like information regarding Graphic Publishers Ltd. Has the company earned its preferred dividends? Do you think that the company has a reasonable chance of making good?

Graphic Publishers is a small publishing company in Ottawa with an ambitious programme. They are financing operations and growth by the sale of stock. The stock at this stage must be considered very speculative, and of low marketability. One who owned the stock would probably have to find his own market if he desired to sell.

We have seen no recent statements of the company.

Humberstone Shoe

Please give me your opinion on the purchase of 10 common shares of Humberstone Shoe Co. Do you think that this stock will show appreciation in the next year or two?

Humberstone Shoe Co. has shown excellent progress in the last four or five years. The position of the common stock has been strengthened as well by the redemption of the preferred stock and the company now has the common stock as the first and only security.

In the year ending July 31, 1930, the company gave a good account of itself, and is expected to do well even in the current year which ends on July 31, 1931. If the company continues to improve its financial strength year by year, this would be a strong factor.

Dominion Bakeries

What is the present position of Dominion Bakeries Ltd.? I hold some preferred stock and am no longer in receipt of dividends. There does not appear to be any market for the stock but I would be satisfied if the future holds any hope of recovery.

There is no present market for the preferred stock of Dominion Bakeries. The passing of the dividend was made necessary by reason of the fact that the company had higher flour costs during a good portion of its year, that there was exceptionally keen competition and price-cutting in the areas where it conducted business, and that it had a reduced volume of sales.

These conditions are all abnormal, and as they straighten out the company should have a good opportunity to recover its old position. It has been getting cheap flour for some time now, and company officials believe that the price war has reached, if not passed, its most intensive point. We believe there is reasonable justification for the hope that sooner or later the company may be able to resume dividends.

A Good List

I am holding the following stocks and would like to have your opinion on the list:
45 Imperial Oil at $31
68 International Nickel at $29.50
10 C. P. R. at $48
15 Canadian Canners, common at $14
5 Canadian Wire & Cable A at $67
5 Canadian Wire & Cable B at 25.

I have more money to invest. Would you suggest buying more of the stocks on my list or should I diversify further?

Whatever the immediate future may hold for operations of the companies whose securities you hold their future prospects over a long period appear excellent. In your case we would be inclined to put the additional money for investment into such stocks as Bell Telephone common, Consumers' Gas common, and any time that market weakness drives C. P. R. or International Nickel or Imperial Oil unusually low, we would be inclined to add to the lines held.

Can. Rail & Harbour Terminals

What is your opinion of the 6½ per cent first mortgage bonds of Canadian Rail & Harbour Terminals, due 1952?

The 6½ per cent first mortgage bonds of Canadian Rail & Harbor Terminals, due March 1, 1952, cannot yet be considered a high grade investment. The company since its formation has been showing an increasing revenue, but even in 1929 the company's operating profit of $318,137 failed by $174,187 to cover all financial charges and depreciation, including interest and amortization of bond discount. The previous deficit was $659,145 so that the accumulated deficit at the beginning of 1930 was $833,332. We have no information as to how the company has fared during 1930. It is evident that the operating profit in 1929 was sufficient to cover the interest on the 6½ per cent first mortgage bonds and, in fact, excluding depreciation and taxes there was enough to pay all interest and about $12,000 to spare. Marketability would have to be sought through the people who sold it to you. Any quotations we have seen are very low.

Income Security

What is your opinion of the security of income from National Breweries, Canadian Car & Foundry preferred, Dominion Bridge and Canadian Pacific Railway?

We think you would have the greatest income security in the case of C. P. R., and that over a term of years holding of Dominion Bridge stock should prove profitable to you. We would favor purchasing stock of Dominion Bridge and Canadian Car preferred in a time of low earnings as such companies generally come back quickly in a time of active business. National Breweries has given a good account of itself over a period of years and though the industry is subject to keen competition we would consider the stock to have reasonable safety.

Page-Hersey Tubes

I would like your opinion as to which is the better buy for a long term investment, stock of Page-Hersey Tubes or Consolidated Mining & Smelting Co. Co.

Under present conditions Page-Hersey Tubes common stock has been giving an excellent account of itself in view of the fact that the company's earnings have not varied greatly from those of 1929. For stability we would think that Page-Hersey Tubes has shown the best record but for chance of appreciation we imagine that Consolidated Mining & Smelting would be the better stock as it has had a larger decline in line with the decline in prices of base metals.

It depends on how long base metals stay at present low prices, whether the present price of Consolidated Mining and Smelting is a favorable one or not. It would appear to us that with the first definite sign of the upward movement from the depression toward better times, that it would be a good thing to buy this stock.

Investors' Syndicate

I have been approached to buy ten-year certificates of Investors Syndicate of Minneapolis on which 5½ per cent is guaranteed. Would this be as safe as buying an endowment policy with the Sun Life, age 35?

I have tried various ways of making money in the past few years and have now definitely decided to follow a safe and sound course. Any advice you could give me will be appreciated.

Investors Syndicate of Minneapolis, whose ten year certificates are being offered to Investors Syndicate Ltd., has been doing an increasing business since 1894.

The main thing for a person considering the purchase of these ten-year investment certificates to consider would be whether he is able to keep up the payments to maturity. If he is able to do so, the contract would probably prove profitable to him. If, on the other hand, he finds after three or four or five years that he is unable to continue payments, we do not consider that the transaction will be profitable to him. Investors Syndicate plan is really a saving plan, but you only get the 5½ per cent guaranteed if you carry out payments to maturity.

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When Women Invest

A WEEKLY FEATURE

Marginal Losses

Can brokers collect margin due when they "sell out" a client? I followed the advice of broker from start and all through and the advice must have been very poor—I was inexperienced and they sold at the very lowest prices without giving time to arrange about margin. They now demand $100 due them, they claim.

Can this be lawfully collected?

Supposing that the conduct of the broker was in every other respect regular, brokers can collect for losses when they sell out a client. As a rule, in a time of market uncertainty, when prices are falling very rapidly and the broker is unable to get in touch with his client, he often does his client the best possible service by selling him out as quickly as possible to save as much of the margin money as possible. Last fall and in October and November of 1929 prices fell so rapidly that margins were wiped out on a wholesale scale. Those who sold quickly reduced the losses of their clients and those who were too considerate of their clients, protecting them and waiting until they put up additional margin, really piled up more losses for their clients than those who took harsher methods.

The rule generally on reputable stock exchanges is that where demand for more margin is not complied with and where the right to sell without notice at either public or private sale has been reserved, the broker clearly has a right to terminate a margin transaction immediately.

Such right is nearly always reserved by the broker. Not only that, but even if prices are not falling, in the absence of an express agreement to the contrary, the broker may upon reasonable notice require his client to take securities carried for him and thus close the transaction. The client has the reciprocal right to close an account. The broker is not obliged to sell on account of the exhaustion of the margin. He may hold and rely upon the customer's reliability without security unless there is an agreement to the effect that the security should be sold when the margin is exhausted. A client should himself or herself take the initiative as a matter of precaution by telling the broker at once what to do. Any trader on margin should be following the market continuously and not leaving the broker uninformed as to his wishes or intentions. The broker is really your agent and acts in your interest. You should, therefore, see that he is instructed at every time of crisis; for his own protection he can sell out, when he wishes, stocks held on margin. If the stocks were bought on a partial payment plan, he could not do so.

The fact that you followed the broker's advice does not change the situation if he were disinterested in giving the advice. Theoretically a broker would be in a better situation if he never advised a client but simply acted as an agent; but practically he would not have much business, and so most firms of importance have developed statistical and information services.

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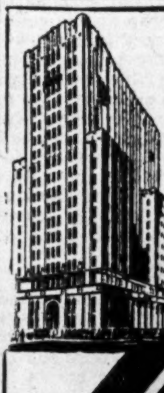

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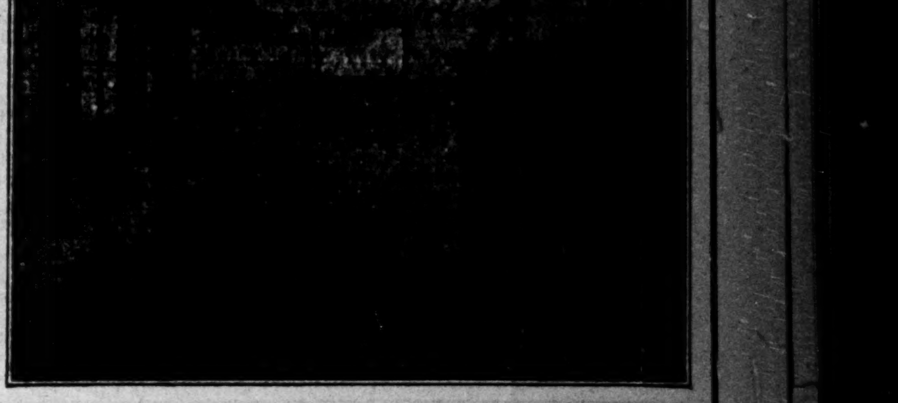

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West Can Compete Against All Nations In Growing Wheat

(Continued from page 1)

wheat primarily for the needs of their own people, and what is left over constitutes an exportable surplus. The word "surplus" as applied to the wheat of Canada, of Australia, or the Argentine, has no real meaning, because production in these countries is primarily intended for the export trade.

Export Market and Where It Is

Where then is the export market for which Canada is producing wheat? Four-fifths of it lies in Europe, including the British Isles. Outside of Russia there are four European countries which produce more wheat than they consume, Bulgaria, Hungary, Roumania, and Jugoslavia. The rest of Europe needs more wheat than it produces. The following figures show the production, the imports, and the apparent consumption of European importing countries, including Great Britain, during recent years:

Year	Production	Net Imports	Apparent Consumpt'n
	In Million Bushels		
1925-26	1,110	518	1,628
1926-27	922	654	1,576
1927-28	1,002	650	1,652
1928-29	1,039	649	1,688
1929-30	1,140	505	1,645
1930-31	893	...	.....

Bulgaria, Hungary, Roumania and Jugo-Slavia produced export surpluses as follows:

	Bushels
1925	40,000,000
1926	44,000,000
1927	31,000,000
1928	36,000,000
1929	53,000,000

That left the net imports of all Europe, excluding Russia, as follows:

	Bushels
1925-26	478,000,000
1926-27	610,000,000
1927-28	619,000,000
1928-29	613,000,000
1929-30	452,000,000

In all of these figures which are those of the International Institute of Agriculture, wheat flour is reduced to its equivalent of bushels in wheat.

The imports of Great Britain remain fairly steady at from 200 to 220 million bushels per year. When British imports are deducted from the total for all European countries the others are seen to have a considerable variability. The drop shown in the imports of importing countries of 144 million bushels from 1928-29 to 1929-30 was altogether in continental Europe. That decline, due to causes shortly to be referred to, resulting in increased carryover of wheat in Canada is one of the factors responsible for the present wheat situation.

World Shipments of Wheat

The rest of the world outside of Europe, including South America, China, and Japan, imports anywhere from 125 to 170 milion bushels of wheat a year.

Annual world shipments of wheat and flour are reported as follows:

By Bushels-By Crop Years-Aug. 1 to July 31

Year	To Europe	To Ex-Europe
1921-22	546,672,000	95,848,000
1922-23	585,928,000	89,256,000
1923-24	626,504,000	146,800,000
1924-25	624,528,000	90,712,000
1925-26	532,288,000	135,264,000
1926-27	682,984,000	131,464,000
1927-28	661,792,000	131,016,000
1928-29	695,000,000	217,520,000
1929-30	483,040,000	129,832,000

	Total
1921-22	642,520,000
1922-23	675,184,000
1923-24	773,304,000
1924-25	715,240,000
1925-26	667,552,000
1926-27	814,484,000
1927-28	792,808,000
1928-29	917,552,000
1929-30	612,872,000

(Canadian Grain Trade Year Book 1929-30; W. Sanford Evans Statistical Service, Winnipeg).

The figures necessarily vary slightly from official reports of imports by different countries.

For the current year an estimate of 852,000,000 bushels for world shipment have been made.

Canada Has Large Share

Such then is the export market for wheat as we have known it. In recent years Canada has contributed more to the total than has any other country. The Argentine, Australia, and the United States have been our principal competitors, with shipments also made by areas of Northern African, Southwestern Europe, India occasionally, and now Russia. The Canadian export shipments have been as follows:

Year	Wheat (Bus.)	Flour (Bbls.)
1921-22	150,935,359	7,740,960
1922-23	229,849,410	11,003,460
1923-24	292,425,153	12,021,424
1924-25	146,958,158	10,169,692
1925-26	275,557,078	10,896,654
1926-27	251,265,788	9,247,824
1927-28	288,567,390	9,865,754
1928-29	354,424,699	11,808,775
1929-30	155,766,106	6,778,023

	Wheat & Flour (Bushels)
1921-22	185,769,676
1922-23	279,364,980
1923-24	346,521,560
1924-25	192,721,769
1925-26	324,592,201
1926-27	292,880,996
1927-28	332,963,283
1928-29	407,564,196
1929-30	186,267,210

Canada Chief Sufferer

It is evident that the decline in world shipments, above noted was reflected mainly in the Canadian trade. Canada, owing to the high prices at which her wheat was held, during a large part of the year, left the export market largely to other countries. We have since suffered severely for our refusal to compete when prices were much higher than they are now, and Argentina, which was exporting heavily at that time, profited at the expense of Canada. In essence, this country declined competition with Argentina, only to discover that, when Argentine wheat was out of the way, competition with Russia had to be faced.

World Wheat Output and Canada's Share

The world market in wheat cannot be considered in relation only to the quantities actually moved in export trade. The supplies produced in importing countries play their part in world markets and so also do the supplies consumed by various countries at home, which might be moved into export demand under slightly different conditions of price and demand. Wheat is so fluid a commodity that it may come from anywhere and go anywhere. For world production of wheat the United States Department of Agriculture gives the following figures, exclusive of China and Russia:

Average World Production

Year	Bushels
1903-13	3,041,000,000
1923-27	3,451,000,000
1928	3,973,000,000
1929	3,495,000,000
1930	3,784,000,000

China's production varies greatly but is several hundred million bushels every year and has been as high as 600,000,000 bushels. Russia's production this past year has been estimated, by the Soviet Government, at 1,100,000,000 bushels.

Price Control is Futile

With total world production of wheat running over 5,000,000,000 bushels the futility of attempts to control international prices on the part of producing and exporting countries is self-evident, and in addition it must be remembered that there are many alternate foods to wheat and that consumption has been shifted rapidly from wheat to other foods, especially rye or potatoes.

The increase in world wheat production so strikingly brought out in the above figures is one of the major factors in the present depression of world wheat markets. Total consumption has been increasing along with total production, but unfortunately not so rapidly as production. Consequently surpluses have accumulated, a fact with which in Canada we are only too familiar since at July 31, 1930, we had an accumulated carryover in Canada of 111,000,000 bushels of wheat as against 26,000,000 bushels in 1925. The United States carryover at the same time was 275,000,000 bushels as against a carryover in 1925 of 125,000,000 bushels.

All Countries Increase Output

The increase in production has been mainly in the great export countries. Production in the importing countries of Europe has not increased to any appreciable extent. Taking the figures of 1909 as a basis compared with the figures of 1930 the increase:

In the United States was from 690 to 851,000,000 bushels.

In Canada from 197 to 396,000,000 bushels.

In the Argentine from 147 to 271,000,000 bushels.

In Australia from 90.5 to 214,000,000 bushels.

Canada during the period in question made a tremendous expansion in her wheat acreage and wheat production, but our rivals in the international wheat market also made great advances.

Increase in Carryover

The world wheat situation for the crop year 1930-31 was summed up as follows by the International Institute of Agriculture, in the November issue of the International Review of Agriculture.

	Bushels
World prod. (excl. Russia)	3,675,000,000
Prod. of exporting countries	2,485,000,000
Prod. of importing countries	1,190,000,000
Quantities available for export (including carryovers from previous years and excluding Russia)	1,190,000,000
Quantity available for export from Russia, from 70,000,000 to	90,000,000
Probable exports	820,000,000
Stocks remaining at end of season	440,000,000

This represents an actual increase for world carryover, since the Institute's corresponding figures for previous years were as follows:

	Bushels
1925-26	125,000,000
1926-27	187,000,000
1927-28	440,000,000
1928-29	418,000,000
1929-30	418,000,000

In the words of the International Review "Production in 1930 exceeds the normal requirement for world consumption."

Countries Which Supply Exports

As to the countries which supply the export market, the International Institute of Agriculture gives the following table of exportable quantities this year and last year. Note that the quantities specified are those available for export, and not actual quantities exported.

	1929-30 Bushels	1930-31 Bushels
Canada & the U.S.	661,000,000	720,000,000
Argentina	185,000,000	200,000,000
Australia	100,000,000	190,000,000
India	7,000,000	30,000,000
Danubian Countries	54,000,000	50,000,000
North Africa	15,000,000	7,000,000
Russia (U.S.S.R.)	7,000,000	70-90,000,000
Total	1,020,000,000	1,270,000,000

The estimate for Canada and the United States appears considerably too high, in view of the heavy consumption of wheat as feed for livestock in progress in the United States, but the chief interest of the table is in showing where the wheat is upon which the importing countries may call. The preponderance of North America is very striking, and it is interesting in view of the very deliberate attempt of the United States, referred to later, to get out of the wheat export market. If the United States could be eliminated from the figures above, and allowances made for reasonable carryovers, there would not be too great a discrepancy between supplies and demand.

World Production Too High

All this array of statistics is sufficiently discouraging from the standpoint of the wheat producer, but such a summing up need occasion no fresh alarm. The condition has long been known to the buyers of wheat and has already been reflected in steadily declining quotations for wheat on the world market. The general background of these figures is necessary to a consideration of the wheat problem from the standpoint of Canada, and such a consideration will show that there are at least reasonable grounds for thinking that the worst is past and that amelioration of the situation may be looked for.

Two facts stand out prominently in the figures: that world production of wheat is now slightly in excess of normal world requirements and that in addition there is a considerable accumulated surplus from recent years. The carryover, it will be noted, is put by the International Institute of Agriculture at 440 million bushels as against 125 million bushels five years ago, an increase of nearly 3½ times the former figure. Compared to the gross annual consumption of the world the amount does not seem extraordinarily large, for it is not more than the equivalent of world consumption for a few weeks, but it is enough extra combined with excess annual production to impose a heavy burden on the market. It might be cleared away in a comparatively short time by a series of short crops in different countries, or it could be considerably reduced by increased consumption due to lower prices.

Low Prices Will Cut Output and Raise Use

In January, 1925, we had $2 wheat in Canada. In January, 1931, we saw wheat down to 50 cents a bushel! Throughout six years we have had, except for brief periods, such as in 1929 when a short crop in this country led to a temporary bull market and steadily declining prices. The prices were, nevertheless, high enough to stimulate production up to the sowing of the 1930 crop. Reduction may be brought about not only by lessening the acreage devoted to wheat, but also by reduction by farm efficiency and particularly in the use of fertilizer where ordinarily a large use is made of them.

Stimulation of Consumption

High prices check the consumption of wheat and low prices encourage it. Even in Canada where every person probably is not conscious of any change in his eating habits in price fluctuations of flour, millers and bakers can see the effect of prices upon consumption, and in other countries, and probably poorer countries, the effects are decidedly marked. Low prices happen by markets which are closed at higher levels, and this applies with particular force to the oriental market for wheat. At times of low prices there is room for an increase in the quantity of wheat fed to livestock.

European Policies Check Wheat Buying

The figures above quoted show a large reduction in imports of wheat into continental Europe during the 1929-1930 crop year. To a very large extent this was due to restrictive policies against wheat imports, in which high duties on wheat were combined with restrictions as to the quantity of foreign wheat which might be used. These policies appear to have begun as a reaction of wheat buyers to developments in exporting countries with the threat of price control. The development of the Wheat Pool in Canada was only one aspect of the idea which prevailed very generally, that purchases by various national and international combines might succeed in controlling prices. The natural reaction of importing countries was to take measures to protect against this by building up their home supplies. The situation was aggravated by the financial difficulty of various countries, by developments in international exchange and in international finances, and particularly in a great reduction in loans made to European countries by the United States. It was further aggravated by a widespread feeling in Europe that the wealthy North American continent, and Canada, according to many reports was lumped along with the United States in the general resentment, was attempting harsh treatment of impoverished countries in Europe.

Wheat Pool Feared Abroad

It is only proper to point out that apologists for the Wheat Pool in Canada maintain that the threat of producers to hold up world prices by international organization had nothing to do with the various restrictive policies against wheat importation adopted by Italy, France, Germany and other countries of continental Europe. The weight of evidence appears to be against their contention. The whole situation was exhaustively reviewed in an article on "Canada and the World Wheat Situation" published in The Financial Post on May 8 last. No evidence has since been presented to alter the conclusions then reached, that European importing countries were seriously alarmed at the threat of producer control of wheat prices, and inaugurated policies to protect themselves.

In one respect these policies have been successful. They have contributed to the decline in price which importing countries must pay for wheat, and, on combined imports of several hundred million bushels, the saving made has been large. Making the foreigner pay the duty, the possibility of which is often denied, has been accomplished in this case. But, in so far as these policies were designed to make importing countries independent of foreign supplies, they have not been successful, for wheat acreage has not expanded beyond what it was in the days before the war. Italy, which began the defensive policy back in 1925, with a wheat production campaign, has been buying wheat freely this year, and actually entered into an agreement with the Russian government to take large quantities of wheat from that country in exchange for Italian produce. Germany still maintains its wheat tariff at what appears to be the fantastic level of $1.62 per bushel, but behind that tariff wall her farmers are not producing wheat to supply her normal requirements, and government campaigns are required to make the people content with rye bread.

Low Prices May Alter Policies

Guessing at future political developments in one's own country is difficult enough, and in the cases of foreign countries practically futile. But this much is clearly evident, that European policies directed against the importation of wheat were adopted when prices were high and still higher prices were feared. The period of low prices in which we now find ourselves might result in important alterations.

Indeed, it is not out of the question for Europe to make large increases in its wheat importations within a few years, concurrently with reduction in home production.

Non-European Markets

The figures above quoted indicate a large increase in shipments of wheat and flour to non-European countries during recent years. The disastrous fall in silver prices, and a concurrent reduction in the purchasing power of China interrupted the growth of what seemed like a market of great possibilities. Recently announced plans for the restoration of China's purchasing power by a great international loan are full of promise, but they are hardly definite enough yet to count on.

Wheat and World Economics

Anything that will bring about a general improvement in the world economic situation should react favorably on the wheat position. Improving industrial conditions would draw farmers away from farms to other occupations. They would create a demand for a better diet, for wheat flour in countries that use coarser food, and for meat in increasting quantities. Greater meat production would result in more rapid consumption of the world's surplus grain. Improvements in international finance would result in greater willingness and great ability to pay the cost of imports.

All told, it is perhaps a reasonable hope that the international trade in wheat and flour might be expanded to 1,000,000,000 bushels annually, which it is expected to reach this year. So long as low prices prevail it is hardly likely to be less than 800,000,000 bushels. Canada's present wheat production demands an export market that can absorb from 300,000,000 to 350,000,000 bushels annually of Canadian wheat. From consideration of the market it is necessary to turn to conditions in some of the competing exporting countries. The Russian situation first demands attention.

Russia and U. S. A. in World Wheat Picture

Russia Back in the Picture

A great deal of alarm has been caused by the re-emergence of Russia this year as a factor in the world wheat market. Before the war Russia annually exported an average of 166,000,000 bushels of wheat, and her peak exports amounted to 225,000,000 bushels. This is the first year since the outbreak of the war in which Russian exports have been at all considerable and it is calculated they may run from 70,000,000 to 90,000,000 bushels. Canada was able to make her large increase in wheat production since 1914 largely because of the gap left by the disappearance of Russian supplies. If Russia has again become a steady contributor to the world markets it appears likely that not Canada but the United States will retire in her favor.

Five-Year Plan in Doubt

The attempts of the Soviet Government under its famous five-year plan to re-make Russian agriculture have been widely discussed and the apparent success which was indicated this year and the claim that a total wheat production of 1,100,000,000 bushels had been reached, has led to the belief that the attempt has been successful. It is much too soon to take that for granted and some admitted facts should be borne in mind. For one thing the attempt involved what was described as the "liquidation of the kulaks," or in other words, driving out all successful peasant farmers from their holdings and substituting for their efforts collectivized farms and state farms largely operated by machinery. Accounts, apparently reliable, have described the slaughter of millions of head of livestock which these dispossessed farmers sacrificed rather than have them seized by the collectives. Whether in the long run farming can be successful without farmers is open to doubt.

Shortage of Food Exists

That an actual shortage of food exists in Russia seems to be well established and the exports can be accounted for both by the desire to make a showing and by the necessity of the government to pay for tractors and farm implements purchased by the tens of thousands upon credit. Russia's present population has been estimated at 150,000,000 and is said to be growing, and the food needs of such a population are tremendous. That Russia's large wheat production in 1930 and her exports of wheat were made both at the expense of the permanent interests of her agriculture and of the food requirements of her population is a reasonable assumption. In reviewing the situation last May The Financial Post said:

> "Permanent success of the present Russian experiment seems inconceivable so opposed is it to all the ideas current held as to the basis of a successful agriculture. But so startling to the world would be an appearance of success, that if the resumption of exports became at all possible, even at the cost of internal sacrifice, the government might be expected to make such exports, by way of demonstration of its accomplishments."

That view of the situation appears still to be sound.

Moreover, if we choose to believe that Russia's present economic theories are going to be permanently successful in that country, so vast a market for the products of other countries appears in prospect that the world's economic situation might be rapidly changed.

Will the United States Retire?

For many years the theory has been held in Canada that the United States would sooner or later retire from the export of wheat because production costs in that country are higher than in Canada and other countries producing for world markets. That has now become the theory of the United States government and all the forces of the government through the Department of Agriculture and the Federal Farm Board are being directed to bring about such a consummation. Farmers are being told that the prospect is for low world wheat prices for a number of years and that the only way a profitable price can be obtained is so to restrict production as to have no surplus for export, and allow the tariff to become effective in raising the internal price of wheat. That is a remarkable change of front because the Federal Farm Board when it was established by Congress in June, 1929, at once engaged in an attempt by market operations to raise world prices. After accumulating some 60,000,000 bushels of wheat at an average cost of $1.18 per bushel, the attempt to influence world prices was abandoned and the board for a time ceased its operations. It began market operations again a few months ago, but this time, maintaining prices 25 cents a bushel or so above the export level, and has thus practically dried up the export of wheat from the country. It now has something more than 100,000,000 bushels of wheat on its hands. Its hopes for success are based upon a very short corn crop in the United States last year and the belief that very large quantities of wheat will be fed to livestock, thus not only consuming the exportable surplus of the 1930 crop, but also making a considerable reduction in the carryover of 275,000,000 bushels on hand at the end of the last crop year.

Canada's Hopes for Success

The earlier operations of the Farm Board were a matter of deep concern to Canada for its interference with markets greatly disturbed ordinary marketing, not only by driving traders out of the business, but by increasing the resentment in Europe against this continent and intensifying the determination not to buy North American wheat. For its present operations Canada might wish for success, for if the United States can be removed as an export factor it will more than make up for the emergence of Russia. The exports of wheat and flour from the United States have been as follows in recent years:

	Bushels
1924-25	258,000,000
1925-26	106,000,000
1926-27	216,000,000
1927-28	203,000,000
1928-29	162,000,000
1929-30	150,000,000

Surplus Overhangs Market

World markets do not yet believe that the United States has been eliminated as an export factor, and the expectation that the Federal Farm Board will sooner or later have to offer large quantities at competitive export prices appears to be as much a depressing factor in such markets as if prices were not now being pegged above export parity. But if the surplus is not eaten up by livestock, a short wheat crop next year is always a possibility, and so also is the sale of a large quantity to China at sacrifice prices, simply to get it out of the way.

The outlook in the next few months is obscure, but it does appear as if low prices will drive the United States farmer to reducing his acreage to the point where that country no longer produces wheat for export. It is generally accepted that production costs are higher there than in Canada, and that the Canadian farmer will survive in the wheat export business longer than the farmer south of the line.

Australia and Price Control

It was not only in importing countries that the belief that producers could control prices resulted in damage to the Canadian farmer. That belief was largely responsible for the tremendous increase in Australian acreage which took place this year. The Australian Government, firm in that faith, proposed to establish a compulsory pool, and as part of the programme, in order to stimulate production, was going to guarantee producers a minimum price of $1 per bushel at country points. The plan was killed in the Australian Senate, but not until after producers, encouraged by the promise of such a price, had put in the largest acreage ever known in that country. Official reports stick to the claim that 18,000,000 acres were seeded in 1930, against 14,000,000 the previous year, and only 10,500,000 acres in 1922.

Canada Followed Australia

Wheat pooling, it should be mentioned, really began in Australia, during the war. The Australian model was followed, first in creating the Canada Wheat Board of 1919, and subsequently in creating the voluntary wheat pools in 1923 and 1924. Enthusiasm for pooling was dying out several years ago, but appears to have been revived by missionary efforts of the Canadian pool, and by various international pool conferences which were held. Australia returned the compliment a few weeks ago, when its minister of markets, Parker Moloney, declared his belief, in Vancouver, that international organization of producers in wheat exporting countries should be arranged.

Canada Must Remain as Big Wheat Producer

Whether Australia can maintain the great acreage seeded last year is a matter of doubt, and it will not be surprising to find a decided reduction in that country next year, lacking the stimulus of an expected guarantee of prices.

Canada will remain in the business of producing wheat for export simply because she must, because there is no other conceivable use for a large part of her western lands under present conditions, or for the energies of her western farmers. To meet the present situation, western farmers will bend every effort to keeping down production costs, to enable them to compete for the world market. These efforts will take several distinct directions. One is the improvement of farming methods, incluing greater attention paid to variety and purity of seed sown, as well as the greatest possible care in cultural methods.

Increase in Mixed Farming

Over large areas, mixed farming will be practised to a greater degree than previously, in order to supplement the farm income from grain with returns from raising or feeding livestock, or from milking cows. In addition, farmers where mixed farming on a commercial scale is not practicable, will reduce costs by producing more of the farm's needs at home, particularly such things as milk, butter, eggs, meat and garden stuff, not to speak of horses and oats which in places will be substituted for tractors and gasoline.

In other places there will be exactly the opposite process, in the way of more extensive farming with power machinery. The problem of increasing efficiency and keeping down expenses will be worked out in different ways by different farmers, according not only to their locality, but also their aptitudes, their inclination and their circumstances. The use of fertilizers holds out promise of reducing costs by increasing acreage yields, but for the coming year they will hardly be available in more than experimental quantities.

Present Prices Not Profitable

This is not to say that the most concentrated efforts will enable many farmers to produce wheat profitably at prices now prevailing. The continuance of such prices, assuming other prices to remain as at present, would, within a few years, drive farmers off their farms by the thousands, and result in wholesale abandonment in large areas. But for one year, or even for two or three, farmers can go on farming at a loss simply because the loss would be greater if they ceased to farm.

What average price for wheat would be necessary to stabilize production in the west, and prevent any great reduction of acreage would be difficult to state. A year ago dollar wheat seemed disastrously low. Now it would be regarded once again, as it was before the war, as a sign of farm prosperity. It depends, not only upon actual results obtainable on the farm, but upon the standard of living available elsewhere. It is better to be raising even fifty cent wheat on the farm, provided you get a crop, than to be one of the unemployed in the city. Until industrial conditions improve farmers will remain on the land who might otherwise be attracted to the factories or to mines. And the same causes which bring about industrial improvement are likely also to improve farm conditions.

Canada's Natural Advantages

Canadian wheat is unsurpassed in quality. It is much better than much of the wheat which is sold in international markets, and it is also produced at lower costs than much of the wheat that is so sold. On that double advantage rests the hope of Canada being able to survive in the international competition for world wheat markets.

Wheat Pool Member Has Very Real Problem

There is a special problem connected with western farmers who are members of the wheat pools. Farmers producing about half the wheat of the west are bound by contracts, most of which expire with the crop of 1932, to deliver all of their wheat to be sold through provincial pools in Alberta, Saskatchewan and Alberta. Something more than half the farmers of Saskatchewan are in the pool, and something less than half the farmers of Manitoba and Alberta.

The first pool was established in Alberta in 1923, and those of the other provinces a year later, when a Central Selling Agency was formed. For the first pool period, expiring with the marketing of the 1927 crop, all went reasonably well with the pools, and farmers were well enough satisfied to sign up contracts for a new five-year period in approximately the same numbers. In the second period, disaster overtook the pools, for reasons which are inherent in the pool idea. The pool theory demanded that the pool perform the speculative function which is a necessary part of marketing a commodity subject to price fluctuation. Like every other speculator who held wheat the pool lost when prices fell, and as it was the largest speculator, the losses on its wheat were enormous. The losses of other speculators were borne by themselves, and actually benefitted, to the extent of many millions of dollars, farmers who sold their wheat outside of the pools and got more for it than it was subsequently worth. But the losses of the pool fell upon pool members, except such as have been forced upon the governments which came to their assistance. The result is that farmers in the pool are very much worse off than farmers who remained outside of it.

Can Not Afford to Wait

Moreover, the pool method of marketing, besides forcing on its members a speculative risk which, under present conditions they cannot afford, implies a method of financing which is beyond the means of the majority of farmers when grain prices are low. The pool idea is to give a farmer an initial payment substantially less than the market value of his grain when it is delivered, and pay the balance of its realized price when sales of a year's crop are completed. That works well enough with high-priced grain, but when prices are low the farmer cannot afford to wait for his money.

Pool farmers, therefore, will have to be released from their contracts, and allowed to get the open market price for their grain. That in itself does not preclude the pools being reorganized so as to perform some useful services for their members, and reorganization has become a necessity on account of the financial condition of the pools.

Must Sell Own Wheat in Free World Market

Marketing

Canada has made some costly errors in her wheat marketing during recent years. One was the error of placing too high a value on our wheat, which was exemplified in the bull market of 1929, when Canadian prices were held for many months away above world levels, resulting in the loss of markets we might have had. The world market is glad to have our wheat, but it does not have to have it. Another error was losing goodwill, both by threats of price control, and by attempting to upset the ordinary channels of trade for wheat in European countries. A third was the willingness to pile up surpluses in this country, to such an extent that Canada is only now beginning to sell her crop of 1930, having been occupied since last harvest in getting rid of the balance of the former year's crop.

Too Many Unsound Notions

How the blame for present conditions is to be assessed, or the extent to which the wheat pool can share it with others, need not concern us now. The important thing is to realize that while world conditions are responsible for a lot of trouble with our wheat, we should be in a much better position if unsound ideas in connection with marketing had not prevailed for a long period in this country. Had there been a better understanding of the fundamentals of the wheat situation in business, banking and governmental circles the Canadian position would now be much sounder.

It is evident that if we are to continue to grow wheat for export we must be prepared to sell it in the world's market, and in doing so meet the world's competition in price. Any attempt to control world prices of wheat must necessarily fail, and so must any attempt to get more for Canadian wheat than its fair value as established by what the markets of the world will pay for it in comparison with other wheats. In addition, as the world's principal exporting country we need the broadest and most open market for wheat that can prevail, and we need the fullest use of all the trading channels of the world, including the services of merchants and millers everywhere in disposing of the largest quantity of wheat that can be sold.

Need Free and Open Market

Our market needs to be free and open, so that it will be kept in proper relation to other wheat markets of the world, and so the merchants whose services are necessary in selling our wheat may not only obtain supplies at competitive prices, but also use the facilities of the market for hedging purposes. Legislation that would limit the operation of the market would impair its usefulness.

There is a special problem in the liquidation of wheat belonging to the Canadian Pool, which since that institution got into difficulties, is essentially being marketed by the Canadian banks, with the support of the Dominion Government. Those now in charge of the operation appear to understand quite well the importance of the open market, and the necessity of selling wheat through regular market machinery on the basis of open market values, and the condition may be considered a temporary one.

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LETHBRIDGE AREA REAL BRIGHT SPOT ON ECONOMIC MAP

Any Decline is One of Price Rather Than Quantity

SUGAR CROP HIGHER

Production of Beet Aided By Fertilizer From Consolidated Smelters at Trail, B.C.

From Our Own Correspondent

LETHBRIDGE.—Lethbridge and southern Alberta have just completed a year of strong resistance to the greatest slump in commodity prices in the history of the world. This area has felt the depression as have others but the Lethbridge district has emerged as one of the few "bright spots" on the economic maps drawn by financial experts.

Roughly speaking, the production in 1930 in this part of Alberta reached $52,090,000 as against $86,210,000 in 1929, the reduction of $34,000,000 being accounted for in the lower commodity price levels.

Wheat production was valued at $20,800,000 as compared with $44,400,000 in 1929, illustrating the drastic depression in the price of this basic product. Cattle and hogs were valued at $5,500,000 and sheep and wool, $1,100,000. Dairy products at $2,600,000 yielded just $400,000 less than the previous year.

Sugar Production Up

Sugar was the one stellar spot in the agricultural record showing an increase of half a million dollars, the aggregate production being valued at $1,500,000. Coal, oil and gas yielded $10,500,000 as against $12,000,000 in 1929, a heavy falling off having been noted in bituminous coal but a big increase in oil from this wealth coming from the Red Coulee field which yielded roughly 50,000 barrels of $1.65 crude oil.

The year was marked by steady development in the production of prime beef cattle through the new "better beef" organization of the Red Label Beef Feeders' Association, a co-operative feeding movement backed by the ranchers and farmers. The ranch calves are not marketed in the United States or Eastern Canada now but are placed on the irrigation farms of the district and finished as prime baby beef on a profit - sharing basis. Twenty-four hundred head of "Red Label" calves are on feed this winter, chiefly on sugar beet pulp from the Raymond factory.

Smelter Fertilizer Helps

The beet sugar industry, as already indicated, has enjoyed a very successful year. Fourteen thousand acres of beets were harvested yielding 128,000 tons of beets and 300 100-pound bags of sugar will be made. The Raymond factory of the Canadian Sugar Factories Ltd. will be operating until the middle of January. The acreage harvested in 1929 was 7,000 for a production of 61,800 tons of beets.

One factor in the improved per acre tonnage is attributed to the use of commercial fertilizer, superphosphate, from the Trail, B.C., smelter. This application boosted the per acre tonnage to from two to three tons per acre. The beet growers are now seeking assistance from the Federal government, either increased duty or a bonus. If this aid is granted it is believed a second factory will be erected this year.

Spends on Power Plant

Building permits were close to a million dollars, the feature of the year being the building of 67 new residences and several apartment houses. In addition, Galt hospital extended its plant, the Catholic Sisters of St. Martha are building a $300,000 hospital, started last fall, and airport developments to accommodate air mail commencing Jan. 15, 1931, ran into many thousands, roughly $75,000. The Marquis hotel made a $75,000 extension to its building on Fourth Avenue South.

The city's population showed steady growth and Lethbridge is now a city of between 15,000 and 16,000 people and the city emerged from the year with a $25,000 surplus and the sinking fund virtually balanced. Robert Barrowman was returned as mayor and J. T. Watson is the city manager. The city this year will spend $200,000 in bringing its municipal power plant up to date. The city's agreement with the Calgary Power Co., distributors of hydro power, has been terminated.

SUMMARIZED REPORT ISSUED BY MUTUAL

Preliminary Figures Shows Business Paid For at $60,526,212

New insurance paid for of $60,526,212 as compared with $67,359,410 in 1929, and an increase in insurance in force of $31,500,000 to a new high total of $492,833,318 is reported by the Mutual Life Assurance Co. for 1930, in a preliminary statement issued this week. The company's annual meeting will not be held until February 5, but preliminary figures covering the most important features of the year's records have already been published.

Total assets are over $9,000,000 higher at $116,662,059 while the rate of interest earned on invested assets is 6.13 per cent as against 6.30 per cent the previous year. Surplus and contingency funds are higher by $175,000, while net surplus earned was $5,254,351, an increase of $211,316 over 1929.

Comparative details for 1930 and 1929 as far as they are available are as follows:

Business	1930 $	1929 $
New ins. paid for ..	60,526,212	67,359,410
Assurance in force..	492,833,318	461,310,653
Income		
Total income	25,883,721	24,520,525
Assets		
Total assets	116,662,059	107,408,986
Surp. & conting. res.	12,468,009	12,311,529
Net surplus earned..	5,254,351	5,043,035
Rate of interest	6.13%	6.30%

Postal-Telegraph-Cable Had Deficit

Postal Telegraph-Cable Co., subsidiary of Postal Telegraph & Cable Corp., had a deficit of $1,986,916 in the 11 months ended November 30, 1930. Telegraph operating revenues amounted to $25,366,578 and operating expenses to $25,479,045. Non-operating income was $286,131.

Strong Business Man Could Cut $25,000,000 Off Federal Expenses

Need for Civil Service Reform Made Apparent When Inefficiency, Duplication and Over-Staffing Are Studied

From Our Own Correspondent

OTTAWA.—The question of civil service reform has been revived in striking form by Dr. W. L. Grant, principal of Upper Canada College, who, in a series of articles published in leading Eastern and Western newspapers, has declared that the Federal service is grossly over-manned: that efficient re-organization would save the taxpayer millions of dollars.

Dr. Grant's articles, three in number, are based upon the evidence and reports of parliamentary committees that have investigated the service in recent years, and with his general conclusions there can be no quarrel. The Dominion service, unquestionably, is over-manned to the extent of at least 5,000 persons, the national pay roll could be reduced by $5,000,000 annually, with an increase, not an impairment, of efficiency. Not only is the service over-manned, but the administration is, in many places, grossly inefficient. Two score or more privately-owned buildings are leased, departments are scattered hither and yon. It may be doubted if most ministers, in the past ten years, have ever been in all the offices of their departments. It may be doubted if they even know where their various branches are located.

Could Save $25,000,000

Few among the civil service would challenge the statement that, if a first - class business administrator were given a free hand to reorganize the personnel and administration of the service, he could reduce the cost, within three years, by $25,000,000.

Dr. Grant gives interesting figures on the growth of the service. In 1912, there were 20,016 civil servants; in 1929, 42,790. The cost in 1912 was $18,000,000; in 1929, $64,000,000. The latest figures, for March, 1930, show the strength of the service at 44,175, and the cost at $67,000,000.

It is comparatively easy to make out an unanswerable case for reform: easy to uncover wastage and inefficiency. The achievement of reform, however, is much more difficult. The civil service is over-manned, and, as a whole, inefficient, but this is true because governments and parliament have made it so. Responsibility does not rest upon the service. The writer, after long association with the men and women who work for the Dominion, is convinced that there is no harder working or painstaking group of people in the country. Moreover, the upper branches of the service are not over-manned but under-manned, and they are shockingly under-paid. The average salary throughout the service, in fact, is approximately $1,500 per year.

Too Many Juniors

The excess of personnel occurs in the lower branches—the clerks, stenographers, the keepers of files, messengers, general office help. And the cause springs from an age old source — patronage. Our governments and members of parliament must bear the responsibility of adding to the army of juniors, of duplicating positions and services. Dr. Grant quotes from a parliamentary report to prove that deputy ministers often seek to increase their staff, believing that their importance rises in direct ratio to the number of their underlings. The truth of this statement may be doubted. Deputy ministers often appear as culprits because their ministers insist upon finding jobs for the party faithful.

Nor are ministers or members of parliament entirely to blame. They are, after all, only trying to maintain themselves in office. If they yield to political pressure, it is because the rank and file of the electorate demands that they should.

Thousands Seek Jobs

Consider what has happened in the five months since the Bennett government took office. The other day Senator Gideon Robertson, minister of labor, issued a public statement requesting the public to stop bombarding him with applications for jobs. The demands, he said, had become so numerous and insistent that he had no time to attend to departmental duties.

Hon. Alfred Sauvé, postmaster-general, let it be known recently that since taking office, he has had 35,000 written requests for positions in the service. Other ministers have received from 20 to 30 applications per day. By and large not less than 75,000 Canadians have sought entry into the service in the past five months. Thousands of these people are stout Conservatives who have given yeoman service to the party, and who now believe they are entitled to a substantial reward. And unless the Bennett government does its very best to take care of the more influential and important of them, it will suffer serious political consequences.

Dr. Grant's articles suffer, somewhat, from a seeming lack of close contact with the service and with Ottawa politics. He summarizes the findings of past investigations, and points to needed reforms. But he fails to note some of the most glaring of the weaknesses.

Too Much Paternalism

The degree to which the service is over-manned, of course, is a matter of opinion, but it would appear that he has over-estimated it. He estimates the increase of staff due to new government services, placing it at 4,700, which is too low.

The extent to which government activities have been enlarged since 1912 is not commonly appreciated. Government paternalism is invading our lives steadily and rapidly, although few are conscious of it. There are numerous new departments and departmental branches including: External affairs, water power services, income tax, pensions and health, soldier settlement, (these two departments, arising out of the war, employ more than 3,000 persons), Federal farm loans, radio, sales tax, air mails, air services in general.

Then, many long-established departments have broadened their work and increased their staff tremendously. In this category are: the mines department, which is evolving national policies for coal and minerals, and is not a duplication of provincial services; the engineering and canal branches of railways which have carried through the Welland Canal, the re-habilitation of the Hudson Bay Railway, etc.; public works, which is tremendously concerned with large scale water power developments such as Beauharnois; the Royal Canadian Mounted Police, which in 1924, undertook the policing of the Arctic from Ellesmere Island to Aklavisk; trade and commerce, now involved in a world-wide search for markets; marine, which has undertaken enormously greater responsibilities in regard to port and navigation developments on the St. Lawrence, the Great Lakes, in Hudson Strait, at Vancouver, Saint John and Halifax; agriculture, which now enforces a grading system on a dozen or more commodities, maintains a costly inspection service to protect plant and animal life from foreign contagion, carries on ceaseless research work to overcome such plagues as rust.

Grows as Country Grows

There has been, in addition, a great increase in the work of all departments due to the rapid growth of the country. The finance department has a large staff to look after the outstanding debt; the map-making divisions are hard-pressed to keep pace with the opening up of new areas. The labor department has added several important branches such as combines investigation and old age pensions.

But making generous allowance for the larger staff needed to serve the people and enforce the laws, the service is still over-manned.

Dr. Grant exposes real inefficiency in the duplication of work done by various departments. To a business man this duplication would be shocking. Three departments carry on dredging, and each one has spent hundreds of thousands in equipment, most of it in duplication. There are three departments engaged in controlling water power development; map making is carried on in three or four departments. In fact, duplication of work is one of the most costly and indefensible weaknesses in the Federal service. Responsibility rests squarely upon the governments of the past: the service is in no way answerable.

No Movement of Staff

But the most amazing weakness in the Federal service, and one which Dr. Grant entirely overlooks, is that regulations do not permit inter-department movement of excess staff. Each department is a water-tight compartment and lives unto itself.

If there is a need of stenographers in trade and commerce, and the interior department has more stenographers than it needs, one would think the obvious thing to do would be to interchange staff. This cannot be done. Regulations compel the trade and commerce department to take on new stenographers, while the interior remains over-staffed. This may seem, in fact is, a crime against business efficiency, but the problem is more complex than it appears. There are baffling questions of departmental seniority, of service, of grading to be solved. Unfortunately, no one seems to be making any effort to find a solution.

Weaknesses in Commission

Much of the trouble is traceable to a weak Civil Service Commission, and Dr. Grant's criticisms are well merited. The record of the commission, certainly, is one of failure and incompetence, despite the fact that Hon. W. J. Roche, the chairman, is a man of unquestioned integrity, and that there are not a few highly qualified officials in posts of authority. In 1926, two of the commissioners had to resign, because of revelations made before the Customs Enquiry Committee. The new appointees were ill-chosen and have not enhanced the efficiency of the commission.

In regard to the housing of the service, past governments, instead of building upon property already in the possession of the Crown, have preferred to rent space in privately owned buildings. The owners, as a rule are friends of the adminstration and the rentals often are excessive. At the moment the annual cost of rented space is not less than $700,000, and 55 privately owned buildings contain government offices.

Has Become "Racket"

The business of erecting buildings and leasing office space to the government has become, almost, a "racket." The rentals, if capitalized, would erect more buildings than the government could use for the next 20 years.

Mr. Bennett has long been aware of the evils of the "building racket," and reform may be expected in the life of the present administration.

The broad problem of civil service reform is hedged about with difficulties and perplexities. There is no purpose in abusing the civil service proper. The fault lies with Parliament and successive governments. It would be futile to hope that by the employment of a superman the present excess staff could be eliminated. This method is too severe, too injurious politically, to be acceptable to any government.

Let Superannuation Do It

Ottawa is a capital city, with a minimum of industry. It is in Ottawa that most of the over-staffing exists. Many of the persons who would be affected are not natives of the city, but came from other sections of the Dominion to take jobs. To dismiss them would be to throw them into unemployment. They could not hope to find jobs in industry in the capital, would scarcely have enough money to go to other cities, and support themselves while hunting for jobs.

The only practicable solution from the political standpoint, is to allow present excess staff to disappear by superannuation. The Superannuation Act of 1924 was a real measure of civil service reform. The fund, under the management of G. D. Finlayson, superintendent of insurance, has been soundly administered, has grown to very large proportions. This fund represents contributions by the employees as well as the government. A policy of accelerated superannuation would bring the service within reasonable bounds within five years, and relieve the treasury from present exorbitant costs.

Difficulties in Dismissals

The other method has been tried without success, and more than one minister will tell you of the troubles he has encountered, trying to get rid of excess staff. One of the ministers who took office in 1922, surveyed his department and dismissed 50 employees. Within three months they had been reinstated. Within 24 hours of dismissal he was subjected to every sort of personal pressure to re-hire. Colleagues called him up, pleading for the reinstatement of one or other of them. Political and personal influence became irresistable.

There would seem, also, to be certain classes of work now done by government departments which might well be left to private enterprise. The public works department is supposed to mend all breakages of furniture, re-decorate offices. The employees are outrageously inefficient. Days are required to do what should be done in hours. One frequently comes across civil service decorators and cleaners huddled in unused elevators, smoking and lazing when they should be working.

Many Potential Enemies

But, in substance, the weakness in civil service administration is due to the inability of government and Parliament to cope with the problem. To reform the service would be to make thousands of enemies. The public would approve, in a general sense, but the government would win no votes. Politicians never take very long to decide a question of this kind.

Moreover, our cabinet ministers, as a rule, are not good business men, could not be in the very nature of things. A general election whisks farmers, druggists, small newspaper proprietors, village lawyers, into positions of great responsibility. Administratively, they are not equal to their opportunities. Looking back over the cabinets of the last 30 years, it is clear that a department is fortunate if it gets a minister, once in two decades, who is a good administrator. Many ministers, indeed, do not take their departmental work seriously. They let their departments run themselves, while they play politics. Any number of examples may be cited. The department of railways, from the point of view of administration, was mismanaged for many years, in fact until Hon. Charles Dunning took hold of it. Marine and fisheries received little or not attention from Hon. P. J. A. Cardin, who was entirely pre-occupied with Quebec politics. Public works has been without business-like management since the days of Macdonald. What Hon. H. A. Stewart, the new minister, will accomplish remains to be seen. He is shaping up very well. The post office department has had only one good administrator—Hon. Charles Murphy — in recent years. National Defense ran wild until Hon. J. L. Ralston came. The old customs department lacked efficient leadership for years, and the result was the scandalous exposure of 1926. Since then the ministers have been selected with more regard for business ability. The state department never knew a good executive until Hon. C. H. Cahan took it over. In five months, he has shaken the department to its foundations. The interior department has not had a first rate administrator since Arthur Meighen.

Not Always Criticism

This must not be taken as personal criticism of the scores of ministers who have served in these departments. One must recognize the fact that being a cabinet minister does not make a man good at business, an efficient administrator. Indeed, many of these ministers—the name of Rt. Hon. George P. Graham occurs at once—made unique and valuable contributions to public life. Many of them excelled in debate, were capable in council, strong men in their districts.

Nor can deputy ministers be blamed. When a minister fails to furnish leadership and direction to his deputy and senior officials, the morale of a department, inevitably, suffers.

Some Proper Reforms

Complete solution of the civil service problem, therefore, is not to be looked for. But reforms which would net great savings to the treasury are practicable and might properly be expected:

1. The Civil Service Commission should be reorganized, outstanding business men appointed, and their powers, under the Civil Service Act, enlarged.

2. Large branches of the service not now under the Civil Service Act —including the Income Tax, Pensions and Soldier Settlement branches—should be brought under it, and this sphere of government patronage eliminated.

3. An accelerated programme of superannuation should be carried out, and a minimum of new employees taken on.

4. The government should proceed immediately to erect administrative buildings and escape the excessive cost of rentals.

5. Surplus staff should be pooled, and made available wherever needed.

6. The government should refrain from invading the field of private business and thus setting up extensive departments to do what can be better done by private citizens.

F. N. Burt Omits Bonus on Common

Though the regular dividend of F. N. Burt Co. for the quarter ending December 31, 1930, was paid on January 2, 1931, no bonus was paid as in the preceding year. The annual rate is $3 a year, and in the preceding year an extra of 50 cents a share had been paid.

An official of the company states that he sees no reason why the regular rate should not be continued at $3 a year. It is believed that current earnings justify this rate.

DOMINION GAS ACQUIRES UNITS INTER. UTILITIES

Canadian Properties Taken Over End of Last Month

From Our Own Correspondent

MONTREAL.—All the Canadian subsidiaries of International Utilities Corp. passed into the hands of Dominion Gas and Electric Co., as at Dec. 30, 1930, these gas and electric properties becoming a part of American Commonwealths system.

In a letter addressed to stockholders of International Utilities, Frank T. Hulswit, president of American Commonwealths, which controls Dominion Gas, stated that as a result of this acquisition, the annual gross revenues of the system have been brought up to more than $32,000,000 The newly acquired properties will be known as Dominion Gas and Electric Co.

Financing Is Proposed

No additional securities were issued by American Commonwealths Power Corp. in acquiring the controlling interest in the stocks of the Dominion companies. On the other hand, it is understood that the Dominion Gas and Electric proposes to make a public issue of $8,000,000 first lien 6½ per cent collateral trust bonds through G. E. Barrett and Co., E. H. Rollins and Sons and Halsey, Stuart and Co. It is said that each $1,000 bond will be accompanied by a non-detachable warrant entitling the holder to purchase 15 shares of common stock at $15 a share up to and including July 1, 1940.

Capitalization of Dominion Gas upon completion of this financing would consist of $8,000,000 bonds, $3,000,000 three-year 6 per cent notes, $2,500,000 of 7 per cent first preferred, $4,153,400 of 7 per cent second preferred and 500,000 shares of no par value.

Good Earning Power

Gross earnings of the Dominion Gas Companies in the 12 months ended November 30 last amounted to $4,505,942, and net earnings $2,204,178, after operating expenses, maintenance and Canadian taxes. Approximately three-fourths of the gross of these properties is derived from the sale of natural gas, and a large part of the remainder from the sale of electricity.

Supervision of the properties will be under the direction of Fred W. Seymour as president of Dominion Gas and Electric, while operations will continue under the management of C. J. Yorath, vice-president and general manager.

Control is Divided

It will be recalled that last October, shareholders of International Utilities approved the sale of Canadian properties to Dominion Gas and Electric Co. American Utilities and General Corp. has a 40 per cent interest.

The properties involved in this deal included Canadian Utilities Ltd., Canadian Western Natural Gas, Light, Heat and Power Co., Edmonton Utilities, Gas Production and Transportation, Nanaimo Electric Light, Heat and Power, Northwestern Utilities, Union Power and Duncan Utilities.

WOULD RETIRE BONDS MOUNTAIN VIEW APT.

Offer is Half Cash and Half in Preferred Stock

First mortgage bondholders of Mountain View Apartments, Ltd., Hamilton, will be asked to exchange their bonds for 50 per cent cash and 50 per cent new 7 per cent cumulative redeemable preferred stock at a meeting of bondholders to be held in Toronto on January 31. Bond interest payments have been made regularly to date but the present depression has aggravated the rental situation and net income is not sufficient to meet fixed charges at present.

Under the proposed plan of reorganization a loan of $160,000 will be arranged on a 6½ per cent first mortgage. The proceeds of this loan will be used to meet bond interest due on February 1 and to repay $50 in cash for every $100 par value of the 7 per cent first mortgage bonds outstanding which total $300,000. Preferred shares to the extent of $150,000 will be authorized and issued in payment of the remaining 50 per cent of par value of bonds outstanding.

With the retirement of the present bond issue, it is believed that fixed charges will be reduced sufficiently to be met from net income from the property and with an improvement in the rental situation in Hamilton it is believed that dividends on the preferred stock can be met. The proposed plan is stated to have been sponsored by the original underwriters of the bond issue with a view to protecting the interests of the bondholder.

The apartment is approximately 88 per cent rented at present but this is subject to some reduction during the summer months. Leases are gradually being extended to cover longer terms than was formerly the case and this will add stability to earnings. During the past two years approximately $25,000 for various capital expenditures and other expenses has been advanced by the underwriters.

The meeting will require attendance of two-thirds of the bond holders in order that action may be taken. The $160,000 loan will date from February 1, if the plan is ratified, and bond interest payments due on that date are dependent upon favorable consideration of the exchange. The meeting will be held at 10 a.m. on January 31 at the office of the Chartered Trust & Executor Co., Toronto.

Raw Sugar Would Restore Australia Trade Balance

From Our Own Correspondent

VANCOUVER. — Australian sugar exporters' insistence on Canada buying sugar in Fiji instead of in Australia is largely responsible for the adverse trade balance of Australia when compared with Canada's, according to coast shipping men who are anxious to see a successful settlement of the negotiations for revision of the trade agreement between the two Dominions.

"Under present conditions," one authority on trans-Pacific trade stated, "sugar from Fiji is about the only variety of raw sugar that enters Canada from the Pacific side. It goes to the British Columbia Sugar Refineries in Vancouver and from there it is shipped to many points in Western Canada, virtually dominating the market. Naturally, it is an important item in Canada's imports.

Newsprint Affected

"Australia grows sugar but practically none of it comes to Canada, because the Australian sugar industry controls the Fiji crop and dictates where it shall go. Australians have consistently refused to quote prices on Australian sugar, preferring for some reason that Canada should get her sugar from Fiji. If Australia would sell sugar to Canada, Australia's trade balance would be greatly improved and there would be less justification for the constant complaint that Canada is getting the better of the deal in inter-Dominion trade."

Newsprint producers in British Columbia are hoping that the new agreement will continue to give a preference of £3 a ton on newsprint entering Australian territory from Canada, but are a little disturbed by published statements to the effect that Australians intend to use newsprint as a bargaining factor in the negotiations. Australia is now regarded as one of the most important overseas customers of the Canadian newsprint industry and its loss would be serious.

BUSINESS IN FORCE OF IMPERIAL LIFE TOPS $300,000,000

New Insurance Issued Shows Decline of $5,800,000 From 1929

New insurance issued of $35,067,000 as compared with $40,828,296 in 1929, and an increase in insurance in force of $11,200,000 to $300,932,000 was announced this week by The Imperial Life Assurance Co. at its annual meeting. This year the Imperial is the first Canadian life insurance company to hold its annual meeting and the company's report is therefore of particular interest as giving an indication of what may be expected of other companies in the same business.

According to G. A. Morrow, president of the company, the decrease in business written was due almost entirely to the voluntary discontinuance by the company of several special lines of American reinsurance that had brought a yearly and increasing volume of business for some years. The company's own agency organization produced a volume of business nearly equal to that of the preceding year according to Mr. Morrow, despite the more difficult conditions under which business was written in 1930.

Single Premium Business Reduced

Premium income for the year was $10,720,465 as against $11,416,567 in 1929, while income from interest and dividends was $3,109,580 as against $3,197,482. A change in the insurance taxation laws of Great Britain by which the demand for single premium policies was cut off, was responsible in part for a reduction in premium income according to Mr. Morrow. The company reports that $43,404 was realized as net profits on the sale of securities and recovered on amounts previously written off, as against $260,745 in 1929.

The company was required during the year to find new investments for nearly $10,000,000. Of this sum, $4,750,000 were represented by the excess of income over disbursements and the remainder by principal repayments on mortgages, policy loans repaid, bonds and debentures refunded and securities sold. Of the funds thus available, $2,707,000 were placed in bonds and debentures; $2,474,000 in first mortgages—practically all on properties in larger Canadian cities; $3,880,000 in loans on the company's policies and $749,000 in stocks. It is interesting to note, incidentally, that loans on policies increased during the year from $10,361,737 to $12,197,983.

Distribution of Assets

Total assets at the end of 1930 amounted to $62,979,827 of which $59,870,000 was represented by invested assets distributed among the following classes of securities: first mortgages in real estate, 24 per cent; head office building, 1½ per cent; real estate, less than ½ per cent; bonds and debentures, 49 per cent; loans on policies, 20 per cent; stocks, 4 per cent; and cash in banks, 1 per cent.

In connection with the company's holdings of stocks it is pointed out that of the total of $2,398,000 invested in this type of security, $1,046,000 is in preference stocks; $827,000 in Canadian bank stocks and the remainder in carefully selected common stocks. For the first time in the company's history, the market value of these stocks showed a slight fall below the book value at which they were carried in the company's balance sheet, and accordingly the company set aside a special reserve of $240,000 to immediately provide for this contingency.

The following shows comparative figures for 1929 and 1930:

Business	1930 $	1929 $
New ins. issued ...	35,067,826	40,828,296
Insurance revived ..	2,282,884	2,827,413
Total in force	300,982,203	289,785,882
Income		
Premium income ...	10,720,465	11,416,567
Interest, etc.	3,109,580	3,197,482
Assets, Etc.		
Total assets	62,979,827	57,860,237
Surplus	4,732,294	4,944,589
Policyholder res. ...	52,504,981	47,969,570
Contingency res. ...	475,000	475,000
Sp. investment res..	240,000	....
Policy loans	12,197,983	10,361,737
Return on inv. assets	6%	6%

Montreal Teleg. Report Shows Small Gain in Cash

Little change from previous annual statements is shown in the 1930 annual report of Montreal Telegraph Co. A fixed revenue of $165,000 per year is derived from rental of telegraph lines now operated and maintained by the Canadian National Telegraphs. Revenue is sufficient to pay an 8 per cent dividend on capital stock of $2,000,000.

Cash, investments, accrued revenue and furniture are shown at $104,748 as against $101,893 in 1929. This item has improved each year since 1925. Fixed assets do not vary from year to year and are shown as in previous years as follows: telegraph lines in Canada and United States, $1,625,890; telegraph cables, $33,497; offices and equipment, $212,500 and real estate in Canada, $279,496. Dividend payable at $40,000, income tax reserve of $12,800 are the same as in 1929; unclaimed dividends have been reduced to $1,912 from $2,168. Contingent fund has been increased to $50,036 from $46,924. Excess value of property over shareholders capital remains at $151,824.

Henry E. Rawlins was elected president during the year succeeding the late William McMaster and James B. Patterson succeeded the late W. R. Miller as vice-president. George F. Benson and Lt.-Col. William Legat were elected directors to fill the vacancies on the board.

LAKE ERIE FISH BECOMING WARY OR REAL SCARCE

Industry Wanes as International Commission Studies Problem

From Our Own Correspondent

BUFFALO.—The report of the New York Conservation Commission for 1930 indicates that the decline in Lake Erie fisheries, which has been a subject for international attention for several years, is becoming worse. Fairly complete figures for 1929 make the catch for that season 691,424 pounds, and it is expected that the record for 1930, when fully compiled, will be still lower. So recently as 1924 the catch was 8,324,443 pounds.

The investigations for the last two seasons by an international commission, employing the most scientific methods of study, have found little explanation for the disappearance of Lake Erie fish other than the disregard of conservative methods by fishermen. The scientists have not supported more popular theories that fish life has been destroyed by the discharge into the lake of poisonous waste from factories or by low water levels, leaving propagating grounds to become dry. Apparently there will not be much basis for complaint about excessive fishing in the next few years, for fishing as a commercial pursuit has been reduced heavily.

The problem of restoring fish life in the lake to former proportions, however, becomes of increasing importance on account of its value as a food supply and as a means of providing occupation.

T. W. Hand Moves to Toronto

Business offices of T. W. Hand Firework Co. have been moved from Hamilton to Toronto according to announcement made by the Toronto Industrial Commission. The company has secured a site of 28 acres at Dixie, in the Toronto area, where workshops, magazines and factory buildings are being constructed. Manufacturing operations will be transferred from Hamilton on completion of the Dixie plant.

EXPECT REPORT SHOW BELDING'S DIVIDEND EARNED

Sales and Earnings Lower Than in Preceding Record Year

From Our Own Correspondent

MONTREAL.—Sales and earnings of Belding-Corticelli, Ltd., in the year ended November 30, 1930, fell below those of the preceding fiscal period, which constituted a record in the company's history. Though final figures on earnings are not yet available it is expected that profits will be sufficient to take care of dividend requirements on the preferred and common shares.

In 1929 earnings covered dividend needs by a wide margin. The preferred stock earned $20.07 a share against a 7 per cent dividend and profits on the common were equal to $15.09 a share. A dividend of 7 per cent is also paid on the common. This rate was inaugurated in 1928 representing an increase of 1 per cent.

Will Reflect Expansion

The annual report, which will be published in the course of the next two or three weeks, is expected to show further expansion. In June, 1930, Belding-Corticelli acquired the Independent Silk Ltd. in Coaticook, a company whose production fits in well with output of the parent organization. Belding already had a plant in Coaticook and the machinery from the acquired unit was installed in the company's own plant.

While domestic sales of Belding-Corticelli have fallen off, it is understood that exports have been reasonably well maintained. In this respect the company set aside a special fund at the end of the 1929 fiscal period with a view to furthering and developng this end of its business.

It is reported that the tariff has little bearing on the operations of Belding-Corticelli. Although the company is a large producer of hosiery, its output is confined to the higher grade silk product which does not benefit from the new specific duty imposed on lower grades of hosiery entering Canada. It is possible that some further revisions in the present tariff will be made in the future which will work advantageously for the silk manufacturers.

The common shares have shown a decline in inactive trading on the Montreal Curb Market. The high for 1930 was 130 and the stock is currently quoted around 92 at which price it yields 7.6 per cent. The preferred shares are quoted around par.

Manitoba Power Board Extends Distribution Lines

From Our Own Correspondent

MONTREAL.—Manitoba Power Commission, a provincial organization distributing power to municipalities around the southern part of the province, extended its transmission lines last year to the extent of 319 miles. Brandon has been added to the municipalities served by the Commission, as well as Arrow River, Crandall, Holmfield, Miniota, Biscarth, Foxwarren, Gilbert Plains, Starbuck, Winnipeg Beach, Gimli, Tenlon and Grandview.

C. P. R. Earnings Lower

MONTREAL.—Traffic earnings of the Canadian Pacific Railway for the week ended January 7 were $2,422,000 — a decrease, compared with the same period last year, of $273,000 or 10.1 per cent. Kettle Valley Railway returns are now included in the C. P. R.'s weekly returns.

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Depressions come but prosperity follows

The 1930 depression was no novelty. Similar periods of stagnation have occurred before. And every depression has found a few wise investors who made substantial profits by buying sound stocks towards the close and selling them on a rising market. No less an international economist than Sir Josiah Stamp has said that he expects the tide to turn about April, 1931. If this is so, the time to buy sound stocks is now, before prices begin to creep upward.

Our current recommendations on request

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Powell River Co. Make Progress on Hydro Unit

The Powell River Co. brought its seventh newsprint machine into production on December 30 and increased the daily newsprint capacity of the mill from 500 to 630 tons. The company started development of their present plant site just 20 years ago.

The latest machine is designed for speeds up to 1,400 ft. per minute and is 226 inches wide. Its capacity exceeds the united capacity of the first two machines installed in 1912 which had a total capacity of 100 tons daily. In 1913 capacity was more than doubled by the installation of two more machines and between 1924 and 1927 two more machines were added which brought the daily capacity of the mill to 500 tons.

Newfoundland Hotel Creditors Hold Meeting

Creditors of Newfoundland Hotel Facilities Ltd., met recently and decided to permit operations to continue as at present under the jurisdiction of Sir William F. Lloyd, appointed as liquidator some months ago. Radical changes effected in the management of the property have resulted in a slight profit in place of a heavy loss.

The largest creditor of the company is the Newfoundland Government which has paid all coupons due on the bonds to date.

There is a total of $450,000 of six per cent first mortgage re-imbursement bonds outstanding which are guaranteed as to principle by the government.

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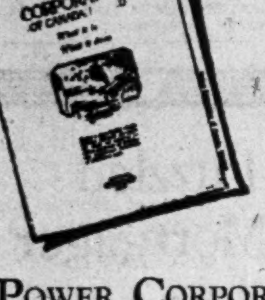
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, England.
H. G. Taylor & Co., Bristol, England.
A. Lowry, Belfast, Ireland.
Wilson & Johnstone, Ltd., Port-of-Spain, Trinidad.
Lester W. Huddle, Kingston, Jamaica.
H. P. Surrey, Shanghai, China.



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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JANUARY 12

Range 1930-31 High	Low	Divd. Rate $	Yield in % Jan. 10		Close Jan. 5 (or last)	Week Ending Jan. 12 High	Low	Close
42¼	8	.	...	Abitibi, c.	9	12¼	10¼	11
110	103	7	...	Do. pref.	..	..	..	..
87	36	6	13.32	Do. pref.	38¼	45	44	44
14	6	.	...	Agnew Surp., c.	8	..	..	..
95½	86¼	7	7.95	Do. pref.	88	88	88	88
28	5	.	...	Alta. Pac. Gr.	5	6¼	6	6¼
91	39	.	...	Do. pref.	39	..	..	..
15	3	.	...	Amal. Elec.	3	..	..	..
39	18	3	16.66	Do. pref.	18	18	18	18
3	2¼	25c	...	Anglo-Nor. Hold.	2½	..	..	..
3⅝	⅛	.	...	Asbestos, c.	⅜	¼	¼	¼
15	1	.	...	Do. pref.	1⅜	1½	1	1½
18	6	1	16.66	Assoc. Brew.	8	7	6	6
95	66½	7	10.29	Do. pref.	68	..	..	..
18⅝	8½	1.50	15.00	Assoc. Can.	10	10	8½	10
87½	87½	6	...	Assoc. Tele.	..	..	..	..
17½	4½	.	...	Atlan. Sugar	17	17½	15¼	17½
82	40	.	...	Do. pref.	72	82	79¾	80
175	168	10	5.92	Bk. Can. Nat.	168¼	168¾	168¼	168¾
325	275	12+2	4.86	Bk. of Montreal	282	287	280	287
455	314	16	4.99	Bk. of N. Scotia	315	321	316	319½
262	215	12+1	5.77	Bk. of Toronto	221	230	221	230
30	21	1.50	...	Barcelona Tr.	21	..	..	..
10½	5	.	...	Bathurst Pr.	5¼	..	..	..
5	2¾	.	...	Do. (B)	6	4	3	4
26	26	50c	...	Bawlf Grain	26	..	..	..
83	74¾	6.50	...	Do. pref.	74¾	..	..	..
22½	14	40c	2.85	Beath & Sons	14	..	..	..
33	18	2	10.00	Beatty Bros.	19⅞	20	20	20
92	75	6	7.50	Do. pref.	80	80	80	80
15½	7	.	...	Beauharnois	7¾	8	7½	8
130	90	7	7.60	Belding Cort.	92	..	..	..
110	98½	7	7.00	Do. pref.	100	..	..	..
101	65	7	10.76	Belgo C.P. pf.	65	..	..	..
159½	140	8	5.63	Bell Telephone	141½	142½	141	142
10½	1½	.	...	Biltmore Hats	1½	..	..	..
85	65	7	10.76	Do. pref.	65	..	..	..
22	14	.	...	Bissell	14	..	..	..
97	88	7	7.95	Do. pref.	88	..	..	..
19	10	2	16.66	Blue Ribbon Cp.	10½	12	12	12
38	28	3.25	10.48	Do. pref.	30	31	31	31
24	19½	2	10.25	Brant. Cd. pf.	21	21	19½	21
55¼	19½	2+c	...	Brazilian	22	25	21⅜	23¾
2	⅜	.	...	Brew. & Distil.	1¼	..	..	..
28	12⅜	80c	5.33	Brit. Amer. Oil.	15¼	15⅜	14⅞	14⅞
18¼	2	.	...	B.C. Packers	3	2⅜	2½	2⅜
58½	18	.	...	Do. pref.	24	18	18	18
45½	32	2	5.55	B.C. Power	34¾	36¼	34¼	35½
26½	10½	.	...	Do. (B)	11½	12	11½	12
3¾	1	.	...	B.E. Steel	1½	1¼	1¼	1¼
41	21	.	...	Do. 1st pref.	21	..	..	..
8	2¼	.	...	Do. 2nd pref.	3	3	3	3
31½	10	2	19.50	Brompton	10¼	..	..	..
26¾	3½	.	...	Bruck Silk Mills	7	7½	7	7½
29¾	20	2	8.60	Building Prod.	23½	23¼	23	23
56	35½	3	7.14	Burt, F. N.	40	42	42	42
198	150	6	4.00	Calgary Pr.	150	..	..	..
19½	7	75c	9.67	Can. Bread	7	7⅞	7	7½
120	99¾	7	7.00	Do. pref. (A)	100	100	100	100
106	77	7	8.38	Do. pref. (B)	83½	..	..	..
12	8	1	11.11	Canada Bud	9	9	9	9
19½	11⅞	.	...	Can. Cement	12⅞	13	12½	13
98	90	6.50	7.00	Do. pref.	92¼	92⅜	91	92½
b75⅝	30½	3	8.84	Canada Dry	33⅝	34½	33	34
20	10	1.50	...	Can. Forg. (A)	15	..	..	..
16	5	.	...	Do. (B)	5	..	..	..
70	40	4½	...	Canada Iron	69	..	..	..
90	70	6	8.00	Do. pref.	75	..	..	..
6	6	.	...	Can. Machinery	6	..	..	..
30	30	.	...	Do. pref.	30	..	..	..
20⅝	12	1.50	12.00	Can. Malting	13	13	12½	12½
21	14	60c	3.52	Can. Nor. Pr.	18	17	17	17
107	99	7	6.65	Do. pref.	104	105¼	105	105¼
20	2	.	...	Can. Paving	3	2⅝	2½	2½
94	58	7	12.06	Do. pref.	58	..	..	..
230	206	12	5.76	Can. Perman.	206	209	208	208
19½	4	.	...	Can. Pr. & Pap.	4¼	4½	4	4
20	14	.	...	C. Pr. & Pp. Inv.	14	..	..	..
19	4⅞	.	...	Can. Steam.	4⅞	5	4⅞	5
73⅝	15⅞	.	...	Do. pref.	17½	18	17½	17½
26¼	16¼	1.60	8.00	Can. Vinegar	20	20	20	20
82	65	4	6.06	Can. W. Cable	66	66	65	65⅝
41	24	43¾c	...	Do. (B)	30	30	28¾	29½
39	10	.	...	Can. Bakeries	12	10	10	10
99	72	7	9.72	Do. pref.	72	..	..	..
275	222	12+1	5.67	Can. Bk. of Com.	226	232	225	229
11⅝	5¾	1	14.28	Can. Brewing	7	..	..	..
57	31½	2.50	6.94	Can. Bronze	35½	36	35	36
111	108	7	6.36	Do. pref.	110	..	..	..
22¼	12	1	7.69	Can. Canners	13	13¼	13¼	13¼
96	86	6	6.52	Do. 1st pref.	91	92	91	92
22½	13¼	1	7.14	Do. 2nd pref.	14	14	13⅛	13¾
32	15¼	1.75	9.45	Can. Car & Fdy.	18⅜	18⅞	18	18½
33	21½	1.75	7.07	Do. pref.	24½	24⅛	24½	24⅞
17	5	.	...	Can. Celanese	10	..	..	..
74	51	3.50	...	Do. pref.	60	62	61	61
76½	64	5	7.81	Can. Convert.	64	..	..	..
50	43	.	...	Can. Cottons	50	..	..	..
83	60	6	10.00	Do. pref.	60	..	..	..
43	23	3	9.83	Can. Dredge	27½	31¼	27½	30¾
92	92	7	7.60	Do. pref.	..	92	92	92
83½	80	6	...	Can. Fairb. pf.	80	..	..	..
20	9	.	...	Can. For. Inv.	9	..	..	..
90	74	.	...	Do. pref.	74	..	..	..
420	250	3+1	1.56	Can. Gen. Elec.	250	255	250	250
65½	58	3.50	5.83	Do. pref.	60½	60½	60	60
92½	70	6	8.45	Can. Hyd. E. p.	70	73½	71	73½
12¼	2	.	...	Can. Ind. Alc.	3¼	3⅞	3	3⅞
11¼	1⅜	.	...	Do. (B)	2	2⅝	2⅜	2½
8½	5	.	...	Can. Int. I. Tr.	5	..	..	..
82	69½	5	...	Do. pref.	69½	..	..	..
40½	31	.	...	Can. Lt. & Pr.	35½	..	..	..
25	25	.	...	Can. Locomo.	25	..	..	..
76	25	.	...	Do. pref.	33	..	..	..
b9⅛	1⅝	.	...	Can. Marconi	2½	3	2½	2¾
34½	12	1	4.25	Can. Oil	20	23½	20	20
123	115¼	8	6.66	Do. pref.	120	..	..	..
58	35	2.50	5.95	Can. Pacific	41½	42¼	40¼	41½
10	2½	.	...	Can. Vickers	3⅝	4½	4	4
65	20	.	...	Do. pref.	20	22	22	22
6⅝	3	50c	12.50	Cann. Wineries	3½	4	3½	4
18	13	1.50	9.52	Can. Wire Box.	16	16	15¾	15¾
6⅝	1⅜	.	...	Carling Brew.	1¾	3	3	3
27	12	.	...	Catelli Mac. A.	12	..	..	..
10	9	.	...	Do. (B)	10	..	..	..
330	285	12+3	5.16	Cent. Can. Loan	290	..	..	..
9.00	2.30	.	...	Chem. Research	3.25	3.25	2.85	2.90
19.00	14.25	.	...	Cities Service	17.25	18.00	17.50	18.00
69	46	2	3.33	City Dairy	58	60	59	60
155	120	7	...	Do. pref.	130	..	..	..
48	38	.	...	Claude Neon	39	..	..	..
89	86½	7	...	Do. pref.	..	..	..	..
25	9	60c	6.15	Cockshutt	9¾	10	9⅜	9¾
6	2	.	...	Comm. Alco.	3	..	..	..
18	13	1	7.14	Conduits	14	..	..	..
93	92	7	7.52	Do. pref.	..	93	92	93
26	6	1	11.11	Cons. Bakeries	9	9	8	9
4	¾	.	...	Cons. Food Prod.	2	2¼	2	2
10	3	.	...	Do. (A)	5	5½	5½	5½
34	26	2	6.89	Cons. Press	29	..	..	..
87	80	7	8.76	Cons. Sand. pf.	80	..	..	..
280	120	12.50	8.59	Cons. Smelters	150	149¼	145	145½
193	175	10	5.43	Consumers Gas	182	184	182	184
35	30	.	...	Cooksville Co.	30	..	..	..
85	85	4	4.70	Do. pref.	85	..	..	..
21⅜	15	.	...	Corporate Steel.	15	..	..	..
90	90	.	...	Corr. P. Box, p.	90	..	..	..
1⅞	.50	.	...	Cosgrave Br.	1	..	..	..
21½	6	.	...	Cosmos Imp.	7	8½	6	6
97½	91¼	7	7.60	Do. pref.	92	92	92	92
11	4	.	...	Crown Dom. Oil	4¾	5	4⅝	5
46	25	.	...	Crow's N. Coal.	25	..	..	..
4	¼	.	...	Curtiss-Reid	¼	..	..	..
8	5	.	...	Do. pref.	6½	..	..	..
11	5	.	...	David & Frere B	5	..	..	..
12½	8	80c	7.80	De Forest	10	10¼	10¼	10¼
16	12	25c	...	De Havilland	12	..	..	..
x90	87	7	...	Do. pref.	..	..	..	..
15	8	.	...	Disher Steel	9	..	..	..
18	17	1.50	8.82	Do. pref.	17	..	..	..
12¼	7⅞	1	9.09	Distill-Seagram	10	11	9⅞	10⅞
243	216	12+1	5.90	Dominion Bank	219¼	221	219½	221
83	44½	3.60	6.79	Dom. Bridge	51½	53¾	51¼	52½
70	40	.	...	Dom. Coal	55	40	40	40
82	49	4	8.16	Dom. Engineer.	49	50	49	49
14	10	.	...	Dom. Foundries	10	..	..	..
90¼	76	1.50	...	Do. pref.	90¼	..	..	..
141	98	7	6.25	Dom. Glass	110	112	110	112
122	114	7	5.88	Do. pref.	119	..	..	..
36½	18	.	...	Dom. Iron, pf.	18	..	..	..
19	8	.	...	Dom. Pr. Stubs.	11	..	..	..
x100	95	7	...	Dom. Rub., pf.	..	..	..	..
52¼	25	.	...	Dom. Steel, pf.	25	..	..	..
14	4½	.	...	Dom. St. & C.B.	7	7¾	7	7
30¼	12½	1.20+4a	7.74	Dom. Stores	15½	15¾	14	15½
23	8¾	.	...	Dom. Tar & Ch.	11	9	8¾	8¾
98	88	6.50	7.30	Do. pref.	90	89	88	88
87½	60½	5	6.21	Dom. Textile	80½	80½	80	80½
120	115	7	5.83	Do. pref.	120	120	120	120
27⅛	11	.	...	Donnacona	12	12	12	12
19	4	.	...	Dryden Paper	4½	4½	4½	4½
25	7½	.	...	Duff. Paving	8	7½	7½	7½
99	70	7	10.00	Do. pref.	70	..	..	..
10	3½	40c	8.88	Durant Motor	4¼	4½	4	4½
29	17½	1	4.65	East. Dairies	21½	21½	21½	21½
35	26	1+1	...	East. Steel	28	..	..	..
100	97	7	7.14	Do. pref.	98	98	98	98
25	18	.	...	East Koot. Pr.	18	..	..	..
97	86	7	7.86	Do. pref.	95	..	..	..
34	28½	2	7.01	East Theatres	28½	..	..	..
85	80	7	8.58	Do. pref.	81½	..	..	..
10	8½	.	...	Easy Washer	3½	..	..	..
55	35½	2.50	6.75	Economic Inv.	35½	37	37	37
19	15	1	...	Edmonton Da'y	15	..	..	..
90	78	6.50	8.12	Do. pref.	80	80	80	80
81	6	1	12.50	Enamel & Heat.	8	..	..	..
43	30	3	8.82	Eng. Electric	31	34	34	34
28	15	.	...	Do. (B)	15	..	..	..
63¾	35½	2	5.63	Fam. Players	35½	..	..	..
61¾	37	2	...	Do. Vot. Trust	47	..	..	..
21½	10	1	8.51	Fanny Farmer	11	11¾	11¾	11¾
32¼	28	2.40	8.00	Do. pref.	28	30	30	30
100	96½	7	...	Farmers D., pf.	96½	..	..	..
.25	.10	.	...	Federal Distil.	25	..	..	..
83½	75	7	9.33	Firstbrook Box	75	..	..	..
38½	18¾	1.20+90c	8.75	Ford Mot. A.	22⅝	25	22	23⅛
37	10	1	8.33	For. Pr. Secs.	15	14	12	12
16½	8	1	12.50	Foundation Co.	8	..	..	..
17½	1	.	...	Fraser Cos.	2½	2½	2½	2½
15⅝	7	.	...	Frost Steel	10	..	..	..
98	93¼	7	7.21	Do. pref.	97	..	..	..
21¼	7	.	...	Gen. St. Wares	7	7¼	7	7
180	85	5+2.50	8.06	Goodyear Tire	92	93	90	93
109	100¼	7	6.75	Do. pref.	103	104	102	102
93¼	93¼	7	7.50	Gould Pumps, p.	93¼	..	..	..
5	½	.	...	Gt. W. Saddlery	½	½	½	½
15	15	.	...	Do. pref.	15	..	..	..
41	24	2	7.27	Gurd, Chas.	26½	27½	26½	27
110	108	7	6.48	Do. pref.	108	..	..	..
26	10	1.50	12.50	Gypsum, Lime	11½	12	11¼	12
38¾	15	2	12.50	Ham. Bridge	17	16½	15¾	16
90	70	6.50	9.02	Do. pref.	72	..	..	..
25	15	2	12.50	Ham. Cot., pf.	16	16	15	15
11	4	.	...	Ham. Un. Theat.	4½	..	..	..
82	64	7	...	Do. pref.	75	..	..	..
31	4	.	...	Hayes Wheel	6	5	4	4
95	80	.	...	Do. pref.	80	..	..	..

Range 1930 High	Low	Divd. Rate $	Yield in % Jan. 10		Close Jan. 5 (or last)	Week Ending Jan. 12 High	Low	Close
50	50	.	...	Hillcrest Coll.	50	..	..	..
91	91	7	...	Do. pref.	91	..	..	..
17	4⅜	.	...	Hinde & Dauch.	5	..	..	..
120	120	.	...	Holt Renfrew	120	..	..	..
96¼	90	7	7.77	Do. pref.	90	..	..	..
13	5	.	...	Honey Dew	6	..	..	..
64	55	7	12.50	Do. pref.	55	56	55	56
22	4	.	...	H. Smith Pap.	6	..	..	..
84	58	6	10.34	Do. pref.	58	..	..	..
25	18	2	11.11	Humberstone	18	18	18	18
28	17¼	1+50	7.89	Hunt (A)	18	19	19	19
30	19	1+50	7.89	Do. (B)	19	..	..	..
157	148	8	5.40	Huron & Erie M.	148	..	..	..
31	29	.	...	Do., 20% pd.	29	..	..	..
55	20¾	2	8.00	Hydro Electric	20¾	25	24⅞	25
245	216	12+1	5.90	Imperial Bank	217	225	220	225
29⅝	15	50+50c	5.55	Imperial Oil	18	18¼	17½	17¾
10½	9	35c	3.68	Imperial Tob.	9⅝	9⅝	9⅜	9½
53¾	23	2	8.69	Int. Hyd. E., A.	23	..	..	..
105	95	7	6.93	Inter. Mill., pf.	101	101	101	101
92	88	6	6.81	Do. Series A.	88	..	..	..
44½	12¾	1	6.45	Inter. Nickel	15½	16⅜	15¼	15½
17½	10	1	10.00	Inter. Paints A.	10	..	..	..
b31⅜	5½	.	...	Inter. Pa. & Pr.	7½	8½	7	8½
b22¾	3⅜	.	...	Do. (B)	5	5½	5	5
b18	2	.	...	Do. (C)	3¼	3½	3	3½
b86	21	7	...	Inter. Paper, pf.	35	35	31½	35
24	11¼	1	6.55	Inter. Pete.	14½	15½	14½	14⅝
18	6	.	...	Inter. Power	6	..	..	..
91	68½	7	10.00	Do. pref.	70	70⅛	68½	70
51	30	3.50	10.29	Int. Util. (A)	33¼	35	34	34¼
19½	4½	.	...	Do. (B)	6½	7⅛	6½	7⅛
43	33	1	2.50	Jam. Pub. Ser.	40	..	..	..
110½	107	7	6.54	Do. pref.	107	..	..	..
11	2	.	...	Kelvinator	2¼	3¾	3⅝	3¾
90	73	7	9.58	Do. pref.	73	..	..	..
40	40	.	...	King Ed. Hotel	..	..	..	..
47	23¾	3.20	13.46	Lake of Woods.	24	24	23¾	23⅞
122	110	7	6.36	Do. pref.	110	..	..	..
15	6⅞	.	...	Lake Sup. Corp.	7	7¼	7	7¼
190	180	10	5.34	Landed Banking	187	..	..	..
48	30	3	7.31	Laura Secord	38	41	41	41
27	10	1	8.33	Lindsay, C. W.	10	12	10	12
86	72½	6.50	8.96	Do. pref.	78	72½	72½	72½
15¾	10	80c	6.88	Loblaw (A)	11	11⅞	11	11
15¼	10	80c	7.44	Do. (B)	10⅝	11	10⅝	10⅞
2¾	2¾	.	...	Loew's, London	2¾	..	..	..
40	10	.	...	MacKin. Steel	40	25	10	25
96¼	88¾	7	7.36	Do. pref.	90	95	95	95
36	20	.	...	Manitoba Pr.	20	..	..	..
15	7	.	...	Maple Leaf	7	..	..	..
106⅛	32	.	...	Do. pref.	35	..	..	..
45	28	.	...	Marcus Loew's	28	32	32	32
84	70	7	9.85	Do. pref.	71	71	71	71
45	9¾	.	...	Massey-Harris	10	10	9⅜	10
28¾	14¾	60c	3.42	McColl. Fron.	17⅜	18½	17	17¼
88	74	6	8.10	Do. pref.	74⅝	74	74	74
80	60½	.	...	Mexican L. & P.	91	..	..	..
69¾	69¾	.	...	Do. pref.	69¾	..	..	..
25	25	.	...	Mercury Mills	25	..	..	..
89	58½	6	10.25	Do. pref.	58½	..	..	..
41	40	.	...	Mitchell, J. S.	40	..	..	..
104	104	7	6.73	Do. pref.	104	..	..	..
33	13½	1	6.25	Mitchell, Robt.	14¼	16	16	16
x20	20	.	...	Monarch Knit	20	..	..	..
65	54	7	12.96	Do. pref.	54	..	..	..
134	95	6	6.31	Montreal Cot.	95	..	..	..
117	90	7	6.93	Do. pref.	101	..	..	..
9	3	.	...	Montreal Ex.	3	3	3	3
39	25	.	...	Mont. Is. Pr.	25	..	..	..
77	52½	1.50	2.67	Mont. L. & P.	55⅝	56½	55¼	55¼
59	48	3+25	6.77	Montreal Loan	48	..	..	..
55	45	3.20	6.53	Montreal Tele.	49	..	..	..
180	165	10	6.02	Mont. Trams.	165	166	165	166
28½	15¾	1	5.71	Moore Corp., c.	17	17½	17	17¼
126	103	7	6.45	Do. (A)	108¼	108½	108	108
170	120	7	5.55	Do. (B)	126	126	126	126
10	10	.	...	Mt. Royal Hotel	10	..	..	..
49	49	2	...	Do. pref.	49	..	..	..
4	2	.	...	Muirheads	2	3	2½	3
8¾	8½	75c	...	Do. pref.	8½	..	..	..
36⅝	24½	1.60	5.61	Nat. Brew.	26½	28⅞	26½	28
32	24	1.75	5.83	Do. pref.	29	31	29½	31
10	3	.	...	Nat. Brick	3	..	..	..
29½	12½	3	15.78	Do. pref.	19	..	..	..
5	¼	.	...	Nat. Distilleries	.45	..	..	..
110	100	8	7.40	Nat. Groc., pf.	108	..	..	..
76⅛	29¾	2	5.83	Nat. Steel Car.	34	35	34	34
380	340	14	3.89	National Trust	360	360	350	360
21	17	1.50	8.82	Niag. W. Weav.	17	..	..	..
45	35	3	8.57	Do. pref.	35	..	..	..
90	89¾	.	...	Nor. Mex. Pr.	..	..	..	..
90	69½	7	10.07	Do. pref.	69½	..	..	..
16.00	4.00	.	...	North Star Oil.	6.00	..	..	..
5.00	4.90	35c	7.14	Do. pref.	4.90	..	..	..
25	22¼	.	...	N.S. Steel, pf.	22½	..	..	..
450	230	8+5	4.59	Ogilvie Flour	285	285	280	283
181	124½	7	5.60	Do. pref.	125	125	125	125
40	19	6	3.00	Ont. Eq. 10% p.	21	20	20	20
130	118	6	5.08	Ontario Loan	118	..	..	..
22	7½	.	...	Ont. Silknit	7½	..	..	..
22	13	1.60	12.30	Ont. Steel	13	13	13	13
105	105	7	6.66	Do. pref.	105	..	..	..
3	¾	.	...	Orange Crush	¾	..	..	..
66	45	7	12.96	Do. (A)	54	..	..	..
15	4	.	...	Do. (B)	4	..	..	..
101¼	87	6	6.12	Ott. L. H. & Pr.	98	..	..	..
106	100	6.50	6.31	Do. pref.	103	103	103	103
34	30	.	...	Ott. Traction	30	..	..	..
105	75	5	5.88	Page Hersey	84	85½	84	85
x264	250	7	...	Do. pref.	..	..	..	..
70	41½	4	9.63	Paramount	45	41½	41½	41½
50	25	.	...	Paton Mfg.	32	..	..	..
95	95	7	...	Do. pref.	95	..	..	..
3	½	.	...	Pelissiers	½	..	..	..
68¾	50	.	...	Do. pref.	50	..	..	..
77	52	4	5.71	Penmans	71	73	70	73
102	99¾	6	5.94	Do. pref.	101	..	..	..
2¼	½	.	...	Perfection Glass	¾	..	..	..
28½	16	2	9.30	Photo Eng.	18	21½	18⅜	21½
91	40	7	17.50	Port Alfred, p.	45	40	40	40
92	84	7	8.33	Porto Rico Pr. p	84	..	..	..
b103	20	7	...	Postal Tele.	..	..	..	..
90	50	2	3.84	Power Corp.	51¾	52	51	51
105	93	6	5.88	Do. pref.	101	102	101	102
14	3	.	...	Prairie C. Oil.	3½	..	..	..
24	9½	50c	3.84	Pressed Metals	12	13	12	12½
84	40	2	5.00	Price Bros.	42	40	40	40
107¼	95	6.50	6.84	Do. pref.	95	95	95	95
16¼	12	1	...	Pub. Util. Inv.	12½	..	..	..
70½	40	2.50	5.95	Quebec Power	42	42	41½	42
112	100	7	6.36	Real Estate Ln.	110	..	..	..
6	2	.	...	Regent Knit.	3	..	..	..
20	3	.	...	Reliance Grain	6⅝	5½	5½	5½
25	10½	2	14.28	River S. Mills	12½	15	14	14
26	15	1.50	7.50	Robinson Cone	20	..	..	..
315	272	12+2	5.01	Royal Bank	273	280	274	279
96	82	7	...	Ruddy, E. L., p.	83	..	..	..
96	79¾	5+1	7.43	Russell Motor	79¾	..	..	..
102	93	7	7.44	Do. pref.	94	..	..	..
24½	7	2	...	Sarnia Br. (A)	7	..	..	..
12	5	.	...	Do. (B)	5	..	..	..
54	29	2.60	8.00	Serv. Stn. Eq.	32¼	32¾	32¼	32½
115	90	6	6.66	Do. pref.	90½	90	90	90
82½	47	2.50	4.90	Shawinigan	50½	51¾	50	50
39	26	1.80	6.43	Sher.-Wms.	26¾	28	27	28
122	116	7	5.88	Do. pref.	119	119	119	119
44½	15	2.50	12.50	Simon & S.	21	20	20	20
102	90	7	7.77	Do. pref.	90	..	..	..
95½	88	6½	7.22	Simpson Ltd.	89	90	89	90
55	45	2	4.44	Do. (A)	45	..	..	..
37½	30	.	...	Do. (B)	33⅞	33⅞	33½	33⅞
108	100	6	5.74	Simpson, R.	105	..	..	..
10	2½	.	...	St. Law. Corp.	2¾	4	3½	4
27¾	7⅞	50c	...	Do. (A)	11½	12	10	10
38	16	.	...	St. Law. Flour.	16¼	..	..	..
87	84¼	7	8.23	Do. pref.	84½	85	85	85
13	2	.	...	St. Law. Paper.	2	..	..	..
72	26	6	20.00	Do. pref.	26	30⅛	30	30
91	50	7	14.00	St. Maur. V., pf.	50	..	..	..
37½	24	1	3.33	So. Can. Pr.	30	30	30	30
107	103½	6	5.71	Do. pref.	105	105	105	105
14	3	.	...	Sprucolite	3	..	..	..
26½	13¼	2	13.33	St. Pav. & Mat.	14½	15	14¼	15
95	78	7	8.77	Do. pref.	79¾	..	..	..
4	1	.	...	Stanfords	4	..	..	..
x87	73	.	...	Do. pref.	..	..	..	..
34	5	1	...	Stand. Chem.	12	15	15	15
15½	7	.	...	Stand. Steel	7½	7½	7¼	7¼
42½	36½	3	8.21	Do. pref.	36½	..	..	..
50	35	1.75	4.26	Steel of Can.	39¾	41¼	40	41
44	34	1.75	4.82	Do. pref.	35	36⅜	35	36¼
15	3½	.	...	Sterling Coal	6	4½	4½	4½
43½	22	80+50	4.06	Super. Pet. Ord.	30	32½	30	31½
105	95	7	6.79	Do. pref.	100	105	103	103
45	24	80+50	4.47	Do. com.	25	31	28¼	29
[illegible]	[illegible]	.	...	Tamblyn	41¼	..	..	..
[illegible]	[illegible]	[illegible]	[illegible]	Do. pref.	[illegible]	101	101	101
40	20	3.50	14.00	Thayers, pref.	..	..	..	..
39	11	.	...	Tip Top Tailors.	11	..	..	..
108	85	7	7.95	Do. pref.	88	..	..	..
30	22	.	...	Tooke Bros.	22	22	22	22
80	65	7	10.76	Do. pref.	67	65	65	65
21	9½	.	...	Tor. Elevators	10	10	9½	10
255	220	12	5.10	Tor. Gen. Trusts	235	235	235	235
125	105	6	5.55	Toronto Mtge.	108	..	..	..
4	1	.	...	Traymore	3	2¾	2¾	2¾
12	9	1.40	12.17	Do. pref.	11	11½	11½	11½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	290	..	..	..
125	113	[illegible]	[illegible]	[illegible]	[illegible]	..	..	..
32½	7	4 (scrip)	...	Twin City	[illegible]	10	10	10
b79	47¾	7	...	Do. pref.	..	..	..	..
82½	14	1.65	10.64	Union N. Gas	15⅝	15½	15	15
130	122	7+1	6.40	Union Trust	125	..	..	..
20	7	.	...	United Fuel	7	..	..	..
80½	65	6	9.23	Do. pref.	65	65	65	65
66½	34	.	...	United Secs.	40	..	..	..
15	6	.	...	Viau Biscuit	8	9	8¼	8¼
85	70	7	9.72	Do. pref.	72	..	..	..
40	35	.	...	Wabasso	35	..	..	..
13¾	5⅛	1	12.50	Walker-Good.	7⅛	8½	6⅞	7½
16½	6	1	16.66	Waterloo Mfg.	6	..	..	..
44½	18	1	3.17	Weston	30	31½	30½	31½
92	82	7	8.14	Do. pref.	85	86	86	86
25	16	1.40	8.00	West C. Flour	17½	17½	17½	17½
104	89	6.50	7.22	Do. pref.	95	90	90	90
23	17	.	...	West. Grocers	17	..	..	..
68	45	7	14.00	Do. pref.	50	..	..	..
41	24	50c	...	West. St. Prod.	24	..	..	..
96½	90	6.50	...	Do. pref.	93	..	..	..
9	9	.	...	Whittall Can.	9	..	..	..
9¾	7½	.	...	Wm. Alloy Prod	7½	..	..	..
25	17	.	...	Windsor Hotel	17	..	..	..
82½	70	6.50	9.15	Do. pref.	71	71	71	71
54	13¾	.	...	Winnipeg Elec.	14½	14¾	14	14½
104½	78	7	8.97	Do. pref.	80	78	78	78
x30	30	.	...	Woods Mfg.	..	..	..	..
74	60	7	...	Do. pref.	80	..	..	..
85	72	7	8.75	Wood, Alex., pf.	80	..	..	..
2½	1½	.	...	Zimmerknit	1¾	..	..	..
25	4	.	...	Do. pref.	11	..	..	..

x Quotations for 1929. No sales recorded in 1930-31 to date.
a. Stock dividend.
b. New York quotations. c. Stock dividend paid Dec. 1.

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Abitibi Power & Pap. pref.	6%	1½%	Jan. 20	Jan. 10
Amer. Commonwealths Pr. "A" pf.	$7	$1.75	Feb. 2	Jan. 15
Do., 1st pfd.	$6.50	$1.62	Feb. 2	Jan. 15
Do., 1st pfd.	$6	$1.50	Feb. 2	Jan. 15
Do., 2nd pfd.	$7	$1.75	Feb. 2	Jan. 15
Do., Class "A" & "B"	...	2½%	Jan. 26	Dec. 31
Assoc. Gas & Electric, Class "A"	†	...	Feb. 2	......
Do., cum. pref.	$4	$1	Feb. 2	Dec. 30
Beatty Bros. pref.	6%	1½%	Feb. 1	Jan. 15
Belding Corticelli, com.	7%	1¾%	Feb. 2	Jan. 5
Brand.-Henderson com.	2%	½%	Feb 2	Jan. 2
Blue Ribbon, pref.	$3.25	81¼c	Feb. 2	Jan. 15
B. C. Pulp & Paper, pfd.	7%	1¾%	Feb. 1	Jan. 15
Calgary Power, pref.	6%	1½%	Feb. 2	Jan. 15
Can. Northern Pr., com.	60c	15c	Jan. 26	Dec. 31
Can. Industries, pfd. com.	—	62½c+*$1.25	Jan. 21	Dec. 31
Can. Investors	$1	25c.	Feb. 1	Jan. 15
Can. Bronze, com.	$2.50	62½c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Feb. 16	Jan. 20
Can. Dredge	$3	75c	Feb. 2	Jan. 20
Do., pref.	7%	1¾%	Feb. 2	Jan. 20
Consolidated Press	$2	50c	Feb. 2	Jan. 15
Cockshutt Plow	60c	15c	Feb. 1	Jan. 15
De Forest-Crosley	80c	20c	Feb. 1	Jan. 15
Disher Steel, pref. "A"	$1.50	37½c.	Feb. 2	Jan. 15
Dom.-Scottish Invest., pfd.	5%	1¼%	Feb. 1	Jan. 20
Dome Mines	$1	25c	Jan. 20	Dec. 31
Dominion Tar, pfd.	6½%	1⅝%	Feb. 1	Jan. 5
Eastern Dairies, com.	$1	25c	Feb. 2	Jan. 15
Eastern Theatres, pfd.	7%	3½%	Jan. 31	Dec. 31
Enamel & Heat. Prod.	$1	25c	Feb. 1	Jan. 15
Eastern Theatres, com.	$2	50c	Mar. 2	Jan. 31
Foreign Pr. Secs., pfd.	6%	1½%	Feb. 16	Jan. 31
Foundation Co.	$1	25c.	Feb. 14	Jan. 31
Hollinger Mines	65c	1%	Jan. 28	Jan. 14
Humberstone Shoe	$2	50c.	Feb. 1	Jan. 15
Inter. Nickel, pfd.	7%	1¾%	Feb. 2	Jan. 3
Do., pref.	$7	$1.75	Feb. 2	Jan. 16
Imperial Bank	12+1	3%	Feb. 2	Dec. 31
McIntyre Mines	20%	5%	Mar. 2	Feb. 2
Medicine Hat Greenhouses, pfd.	7%	1¾%	Jan. 15	......
Montreal L. H. & Pr	$1.50	38c	Jan. 31	Dec. 31
Mansfield Theatre, pfd.	7%	3½%	Jan. 31	Dec. 31
MacKinnon Steel pfd.	7%	1¾%	Feb. 2	Jan. 15
Northern Ont. Pr., pfd.	6%	1½%	Jan. 26	Dec. 31
Do., com.	$2	50c	Jan. 26	Dec. 31
Nipissing Mines	6%	1½%	Jan. 20	Dec. 31
Power Corp. com.	$2	50c	Feb. 20	Jan. 31
Penmans	$4	$1	Feb. 16	Feb. 5
Do., pref.	6%	1½%	Feb. 2	Jan. 21
Russell Motors	5%	1¼%	Feb. 2	Dec. 31
Do., pref.	7%	1¾%	Feb. 2	Dec. 30
Steel of Canada, ord.	$1.75	43¾c	Feb. 2	Jan. 7
Do., pref.	$1.75	43¾c	Feb. 2	Jan. 7
Southern Can. Pr. com.	$1	25c	Feb. 16	Jan. 31
St. Lawrence Flour pfd.	7%	1¾%	Feb. 2	Jan. 19
Service Stations pfd.	6%	1½%	Feb. 2	Jan. 15
Do., Class "A" pfd.	6%	1½%	Feb. 2	Jan. 15
Simpson's, pref.	6½%	1⅝%	Feb. 2	Jan. 20
Do., Class "A"	$2	50c	Feb. 2	Jan. 20
Teck Hughes	60c	15c	Feb. 2	Jan. 17
United Dairymen Co-op.	8%	8%	Feb. 1	......
Western Steel Prod. pfd.	6½%	1⅝%	Feb. 1	Jan. 15

*Bonus.
†At rate of 1/40th of one share Class "A" stock.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)
January 13, 1931

Industrial Stocks	Bid	Asked
Andian Nat'l Corp.	25.00	27.50
Border Cit. Htl. pf.	....	20.00
Brandram-Henderson 7% pfd.	85.00	91.00
Brewing Corp. of Can. pfd.	9.00	13.00
Brewing Corp. of Can. com.	....	3.00
B.C. Pulp & Paper 7% pfd.	....	61.00
B.C. Pulp & Paper com.	2.00	4.00
Can. Crush. Stone pfd.	65.00	....
Can. Dominion Sugar com.	17.00	22.00
Can. Mach. com.	6.00	10.00
Can. Mach. 7% pfd.	23.00	33.00
Can. Packers com.	21.00	26.00
Can. Packers 7% pfd.	96.00	98.00
Can. Wire & Cable 6½% pfd. w.w.	101.00	105.00
Can. Indus. c. "A"	130.00	165.00
Can. Indus. c. "B"	130.00	165.00
Can. Indus. 7% pfd.	117.00	121.00
Can. Westinghouse	73.00	80.00
Chase, A. W. 8% pfd.	45.00	52.00
Copeland Flour 6% pfd.	11.00	18.00
Dom. Alloy 8% pfd.	.75	2.00
Dom. Alloy c.	....	.40
Dom. Foundries & Steel 8% pfd.	65.00	70.00
Dom. Foundries & Steel com.	8.00	10.00
Dom. Mfrs. com.	7.00	....
Dom. Mfrs. pfd.	76.00	....
Dunlop Tire 7% pf.	101.00	106.00
Eastern Car 6% pfd.	62.50	77.50
Eastern Dairies 7% pfd.	95.00	100.00
Frost & Wood com.	5.00	12.00
Goderich Elev.	15.00	17.50
Greening Wire 7% pfd.	95.00	102.00
Guardian Realty pf.	54.00	....
Inter-City Bak. c.	45.00	65.00
Inter. Proprie. "A"	30.00	34.00
Loew's London c.	.65	1.60
Loew's London 7% pfd.	1.25	3.00
Massey Harris pf.	....	90.00
Milton Brick pfd.	20.50	30.00
Nat. Grocers com.	1.00	2.00
Nat. Grocers 2nd 7% pfd.	47.00	57.00
Para. Kitchener pf.	25.00	....
Para. Oshawa c.	11.00	....
Provincial Paper 7% pfd.	....	90.00
Reliance Grain 6½% pfd.	....	81.00
Rogers Majestic Corp. "A"	9.00	12.50
Rolland Paper pfd. bonus	63.00	75.00
Service Stations "A" pfd.	77.00	84.00
Standard Clay Products c.	26.00	35.00
Standard Fuel pfd. bonus	75.00	83.00
Supertest "B" pfd.	16.50	22.00
Toronto Ball Club	....	60.00
Toronto Brick pfd.	67.00	....
Toronto Carpet c.	112.50	....
Toronto Carpet 8% pfd.	100.00	112.00
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	30.00	38.00
United Amusement "A"	26.00	35.00
Western Grain pfd. bonus	....	86.00
Willards Choc. 8% pfd.	60.00	70.00
Willards choc. c.	3.00	5.00
Insurance Stocks:		
Brit. Amer. Assce.	53.00	....
Canada Life	640.00	725.00
Can. Nat. Fire	20.00	28.00
Can. Fire Insur.	78.00	88.00
Capital Life 20% pd.	....	26.00

	Bid	Ask
Commercial Life 10% pd.	....	26.00
Confederation Life 20% pd.	240.00	300.00
Continental Life 20% pd.	70.00	79.00
Crown Life	275.%	375.%
Dominion Fire	105.00	130.00
Dom. of Can. Gen.	235.00	285.00
Dom. Life 50% pd.	348.00	400.00
Excelsior Life 30% pd.	106.00	130.00
Fed. Fire 25% pd.	30.00	40.00
Fidelity Ins. of Can.	122.00	155.00
Great West Life	440.00	550.00
Guarantee Co. of N. A.	240.00	....
Imperial Life	425.00	475.00
Mfrs. Life	350.00	390.00
Monarch Life 10% pd.	30.00	40.00
Nat. Life 25% pd.	105.00	126.00
North Amer. Life 20% pd.	70.00	90.00
Saskatchewan Life 10% pd.	15.00	25.00
Sovereign Life 25% pd.	33.00	40.00
Sun Life	1375.00	1500.00
Western Assurance	41.00	50.00
Western Life 20% pd.	13.00	19.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	210.00	240.00
Can. Gen. Invest. Trust 1st	....	65.00
2nd Can. Gen. Inv.	8.50	11.50
Capital Trust	70.00	80.00
Chartered Trust	101.00	119.00
Commercial Fin. pf.	50.00	60.00
Debenture & Sec. 5% pfd.	63.00	73.00
Debenture & Sec. c.	75.00	92.50
Guelph & Ont. Inv. par $50	60.00	70.00
Lambton Loan & Savings	75.00	95.00
London & Western Trust	....	175.00
Midland Loan & Savings	17.00	25.00
Mtge. Disct. 6% pf.	4.00	5.25
Mtge. Discount c.	.40	....
Mutual Finance pf.	5.00	7.50
Security Loan & Savings	113.00	....
Sherbrooke Trust	116.50	....
Sterling Trust	88.00	....
Traders Finance "A" pfd.	....	84.00
Traders Finance "B" pfd.	....	84.00
Traders Fin. c.	....	18.00
Trusts & Guarantee	87.00	93.00
Waterloo Trust & Savings	120.00	145.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	101.00	103.25
Calgary Power pfd.	91.00	96.00
Can. Light & Power com.	....	28.00
Can. Northern Pwr. pfd.	104.00	107.00
Can. West. Nat. Gas LH&P pfd.	....	91.00
East Kootenay Pwr. pfd.	95.00	100.00
Great Lakes Pwr. pfd.	94.00	98.00
New Brunswick Pwr. 1st pfd.	55.00	....
N. S. L&P pfd.	93.00	97.00
Ottawa LH&P 6½% pfd.	102.00	....
Power Corp. 6% pfd.	100.00	103.00
Recent London Quotations:		
Brewer Distillers		4s. 9d.
Can. & For. Sec.		8s.
Can. West. Lumber		2s. 4½d.
Hudson's Bay		27s.
Do., 5% pfd.		65s.
Internat. Holding		2 7/16
Wall Paper Mfg.		28s. 9d.
Pref. 5%		18s. 10½d.

Winnipeg Grain Prices

Week to January 13

High Crop	Low Year		Open Jan. 7	High for week	Low for week	Close Jan. 13
		Wheat				
1.13⅞	.52½	May	.57⅞	.58⅝	.56⅛	.57¾
.77¼	.54	July	.59	.59⅝	.57¼	.58⅝
.61	.58⅝	October	..	.61	.58⅝	.59⅞
		Oats				
.52	.26¾	May	.28¾	.29⅜	.27⅞	.28⅞
.33½	.27½	July	.29⅝	.29¾	.28½	.28⅝
		Barley				
.49	.25½	May	.28	.28	.26½	.27⅝
.32½	.26⅞	July	.29⅛	.29½	.27⅞	.28⅞
.31	.30	October	..	.31	.30	.31
		Flax				
1.32½	.94¼	May	1.04¼	1.05⅛	1.01	1.03⅞
1.11	.95½	July	1.06½	1.06½	1.01	1.05⅛
		Rye				
.71	.25½	May	.33	.33⅝	.31¾	.32⅝
.75	.30½	July	.33⅞	.35¾	.32⅝	.33⅝

Listed Bond Quotations

Week Ending January 12

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1930-31 High	Low
Abitibi, 1st Mtge.	5	1953	6.92	†75	78	...	88½	70
Asbestos	5	1942	5.00	105	...	...	105	99¼
Asbestos, 1st Mtge.	6	1941	...	†15	...	...	81	46
Do., gen. mtge.	6	1956	...	17	...	...	41	25
Can. Cons. Rub.	6	1946	5.74	...	...	...	103¾	102⅛
Can. Cottons	5	1940	7.12	...	...	...	85	...
Can. Forgings	6	1942	...	†99	...	...	...	...
Can. Locomotive	6	1951	6.34	94	...	...	96	...
Can Pr (Laur ser.)	5½	1958	...	28¼	28¼	27¾	75½	28
Do., (Way. ser.)	5½	1958	...	28½	28½	28	74½	28
Can. S.S. deb.	5	1943	5.20	...	...	...	98¼	94
Cedar Rapids	5	1953	4.79	105	...	...	102⅞	99¾
Dom. Canners	6	1940	5.60	†103	...	...	103	...
Dom. Coal	5	1940	5.30	†98	...	...	97¾	95⅞
McNish	6	1948	...	†102	2.30	...	3.55	2.50
Mex. Elec.	5	1942	...	...	...	...	x74	...
Mex. L. & P.	5	1940	...	80	...	...	x75⅝	71½
Mont. L. H. & Pr.	4½	1932	...	†99½	...	...	98⅞	98⅝
Mont. Tr. 1st mtge.	5	1941	5.24	100	...	...	100¼	94
Mont. Tr. "A"	5	1955	5.52	†92½	93	92	96⅞	90
Mont. Tr. G.&R. 'B'	5	1955	5.67	†92½	...	...	96	91
Do. "C"	4½	1955	5.62	85½	...	...	88	85¼
Do. "D"	5	1955	5.34	†92	...	...	96½	93½
N. S. Steel	5	1959	8.40	...	...	...	7	63¼
Ogilvie Flour "A"	6	1932	6.00	†100	...	...	100	...
Do., "B"	6	1932	5.80	†100	...	...	101	100
Do., "C"	6	1932	...	†100	...	...	103	100
Ont. Steel	6	1943	...	106¾	...	...	x106	104
Porto R. Pr.	5	1936	6.85	...	...	...	98	88
Steel of Can.	6	1940	5.22	†107½	...	...	108	106
Wabasso	6	1947	...	101	...	...	x101	...
Wayagamack	6	1951	...	85	...	...	98	86
West. K. Pr.	6	1940	...	†105	...	...	x106	104¾
Winn. Elec.	5	1935	...	...	...	...	98¼	...
Toronto								
Canada Bread	6	1941	5.63	†102	...	...	98½	...
Can. Canners	6	1950	5.78	...	...	...	103¼	101
Dom. Canners	6	1940	...	...	...	...	102¾	100
Porto R. Rly.	5	1936	...	...	...	...	...	...
Postal Tel.	5	1953	...	...	...	...	95	88¾
Steel of Can.	6	1940	...	...	...	...	x93	...

† Latest asked.
x Quotations for 1929. None recorded in 1930-31 to date.

Dominion Govt. Bonds (Montreal)	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1930-31 High	Low
War Loan	5	1931	3.65	100.95	100.80	100.60	101.00	99.75
Do.	5	1937	4.25	104.35	104.00	103.90	105.95	100.90
Victory Loan	5½	1933	4.33	103.30	103.20	103.00	103.65	101.60
Do.	5½	1934	4.60	103.20	103.20	102.90	103.90	101.05
Do.	5½	1937	4.17	107.50	107.50	107.05	109.60	103.90
Do., refund	4½	1940	4.50	100.60	100.00	.....	101.55	95.10
Do., refund	5	1943	4.60	103.85	103.90	103.25	104.15	100.30
Do., refund	4½	1944	4.45	100.40	100.50	100.15	100.50	95.30
Do., refund	4½	1946	4.45	100.60	100.40	.....	100.50	95.65
Do., renewal	5½	1932	4.40	102.00	101.85	101.60	102.10	100.75

H. C. Flood's Active Bond Prices

January 12, 1931	Price	Interest Date	Yield
Abitibi Power & Paper 5/53	72½		7.50
Algoma Steel Corpn. 5/62	63½	Apr. 1	8.40
Argentine Govt. 6/58 Series B	96		6.30
Bell Tel. of Canada 1st 5/57	104	June 1	4.70
British American Oil 5/45	99	Mar. 1	5.15
B. C. Power Corp. 5½% 1960	102	Mar. 1	5.40
Brazil, U.S. Ext. S.F. 6½/57	65½	Apr. 1	
Calgary Power Co. 5% 1960	97	Apr. 1	5.30
Can. Cement Co. 1st Mtge. S.F. 5½/47	100½	May	5.45
Can. North. Power, 5%, 1953	90½	May	5.75
Canada Power & P. 5½/58	32	July 1	
Can. Light & Power 1st S.F. 5/49	95	July 1	5.45
Can. S.S. Lines 6/41 1st & Gen.	63	Feb. 18	12.61
C. N. R. Dom. Can. 4¾, 1955	103	June 15	4.55
C. P. R. Coll. Trust 5/54	103	June 1	4.80
C. P. R. Secured 4½/44 Notes	99	June 15	4.60
Chile Republic Ext. S.F. 6/60	80	Apr. 1	7.70
Colombia Repub. Ext. S.F. 6/61	68½	Apr. 1	9.10
Dom. Steel & Coal 6/39	86	Mar.	7.20
Dom. Square Corp. 6/48	86	Apr. 1	6.35
Dominion Tar & Chemical Debs. 6/49	100	July 2	6.00
Duke Price Power 1st 6/66	104	May 1	5.70
Eastern Dairies Convertible 6/49	100	May 1	6.00
Foreign Power Securities 6% 1949	100	June 1	6.00
French Nat. Mail Ex. S.F. 6/52	104	May	5.67
General Steel Wares 1st S.F. 6/52	89	May 1	6.97
Gatineau Power Co. 1st Mtge. 5/56	93	June 1	5.55
Gatineau Power S.F. Debs. 6/41	94¼	June 1	6.75
Howard Smith P.M. 5½/53	85	June 1	6.80
Manitoba Power 1st S.F. 5½/51	99	July 1	5.55
Massey-Harris Co. 1st Mtge. 5/47	99	Apr. 15	5.55
Montreal Coke 1st S.F. 5½/47	102	June 1	5.35
Montreal Island Power 5½/57	100	May 1	5.50
Montreal Power 5/51	102½	Apr. 1	4.90
Montreal Tram. 1st Coll. Trust 5/41	100	July 1	5.00
Montreal Tram. Gen. Ref. 4½/55	86	Apr. 1	5.54
Montreal Tram. Gen. 5/55	93	Apr. 1	5.50
Nova Scotia Steel & Coal 1st 5/59	58	July 1	9.20
Nova Scotia Steel & Coal 6 deb.	37		...
Northwestern Utilities 1st 7/38	101	June 9	7.00
Ontario, Province of 5/59	105		4.68
Power Corp. of Canada 4½/59	98	Mar. 1	5.30
Price Bros. 1st S.F. Series A 6/43	100	Feb. 1	6.00
Quebec Power 1st Mtge. Coll. S.F. 5/68	103	June 1	4.83
Shawinigan W. & P. 4½/68	93	June 1	4.90
Simpsons 6/49	100	July 2	6.00
Sou. Canada Power 1st 5/55	102	Apr. 1	4.85
United Grain Growers 1st Mtge. 5/48	88	July 2	6.00
United Securities Coll. Trust 5½/52	100	May 1	5.50
Winnipeg Electric 5/35	101	July 1	4.30

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Yield
Alberta	4½	1 Oct. 1958	1 Apr.	96.15	4.75
Alberta	5	1 Jul. 1943	1 July	101.39	4.85
Alberta	6	1 Apr. 1936	1 Apr.	105.25	4.90
British Col.	4½	1 Oct. 1958	1 Apr.	97.21	4.70
British Col.	5	15 Jan. 1948	15 Jan.	102.95	4.75
British Col.	6	15 Aug 1941	15 Feb.	110.16	4.80
Manitoba	4	1 Jul. 1947	1 July	92.03	4.70
Manitoba	5	2 Jun. 1959	2 June	103.08	4.80
Manitoba	5	15 Jun. 1943	15 June	101.55	4.82
N. B.	4½	1 Jun. 1948	1 June	99.40	4.55
N. B.	4¾	15 Jun. 1936	15 June	100.72	4.60
N. B.	6	1 Jan. 1936	1 June	105.96	4.65
Nova Scotia	4½	15 Nov. 1948	15 May	99.30	4.57
Nova Scotia	5	1 May 1943	1 May	103.77	4.60
Nova Scotia	6	1 Nov. 1936	1 May	107.00	4.65
Ontario	4½	1 Sep. 1944	1 Mar.	100.00	4.50
Ontario	5	15 Oct. 1948	15 Apr.	106.00	4.51
Ontario	6	2 May 1936	2 May	106.74	4.60
P. E. I.	4	1 Apr. 1939	1 Apr.	96.50	4.50
P. E. I.	4½	1 Oct. 1944	1 Apr.	99.49	4.55
Quebec	4½	1 Jun. 1946	1 June	100.00	4.50
Quebec	5	1 Mar. 1964	1 Mar.	107.70	4.55
Saskatchewan	4½	1 Oct. 1944	1 Apr.	96.97	4.80
Saskatchewan	5	1 Oct. 1960	1 Apr.	101.91	4.85
Saskatchewan	6	1 Feb. 1936	1 Feb.	105.25	4.90
Cities					
Montreal	5	1 Sep. 1963	1 Mar.	105.00	4.70
Toronto	4½	1 Sep. 1954	1 Mar.	98.56	4.60
Vancouver	4	1 Aug. 1946	1 Feb.	91.66	4.75
Winnipeg	5	1 Mar 1944	1 Mar.	102.47	4.75
Windsor	5	1 Dec. 1957	1 June	100.59	4.90
Edmonton	5½	1 May 1945	1 May	105.11	5.00
Calgary	5	1 Jan. 1943	1 Juny	100.46	4.95
Halifax	5	1 Jul. 1951	1 July	101.93	4.85
St. John	5	15 Dec. 1950	15 June	102.35	4.80
Regina	4½	1 Jul. 1950	1 July	98.82	5.00
Victoria	5	21 Jul. 1945	21 Jan.	102.12	4.80

Foreign Exchange

	High (Premium)	Low (Premium)	High (Premium)	Low (Premium)
January 7	1-2	1-4	1 1-16	1⅝
January 8	3-8	1-4	1 5-64	1 3-64
January 9	5-16	7-32	1 1-32	1 1-32
January 10	15-64	13-64	1 1-16	1 3-64
January 12	7-32	3-16	1 1-32	1⅝
January 13	15-64	13-64	1 1-16	1 3-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
January 7	4.85 11-32	3.92 7-16	5.23 3-8
January 8	4.85 5-16	3.92 3-16	5.23 7-16
January 9	4.85 1-4	3.92 3-16	5.23 3-8
January 10	4.85 5-16	3.92 3-16	5.23 3-8
January 12	4.85 5-16	3.92 5-16	5.23 3-8
January 13	4.85 5-16	3.92	5.23 3-8

NEW YORK FUNDS

Par		Dec. 30	Jan. 6	Jan. 13
5.26	Italian	5.24¼	5.25¾	5.23⅞
23.80	German	24.85½	23.90	23.83½
13.90	Belgian	13.98½	14.01½	13.98½
49.80	Japanese	49.75	49.80	49.55

Winnipeg Stock Exchange

January 5

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	Home Investment	..	65
Beaver Lumber c.	..	19	Monarch Life	25	..
Do., pref.	..	105	North. Can. Mtg.	..	25
Can. Amer. Trust shs.	..	652	Northern Trust	..	45
Can. Fire Ins.	..	90	Traders Bldg.	89	..
Can. Indemnity	125	...	Un. Gr. Growers	14	..
Crescent Creamery	93	..	West. Breweries	3	4
Gt. West Life	..	450			

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

HUDSON'S BAY CO. PAMPHLET GIVES DETAILED ANSWER

Special Committee's Full Report Absolves Directors

BUT SUGGEST CHANGE

Would Have Stores Segregated at Once With Complete Management in Canada

The report of the special committee enquiring into the affairs of the Hudson's Bay Co., as a result of charges made repeatedly by a shareholder, which was dealt with briefly in cable dispatches two weeks ago, has just come to hand in the form of a 24-page pamphlet.

The committee, composed of Alfred Shepherd, W. S. Poole, H. M. Trouncer and George Watson, recommended, in brief, the giving of more information to shareholders in annual reports, the simplification of accounts to the same end and, what is most interesting to Canadians, suggest that a Canadian company be formed to take over the department stores in this country. The securities of this company would be offered to the Canadian public, although a substantial proportion of the company would be owned by the parent company, which would continue to act as a buying agent for the stores.

The London business, if this suggestion were adopted, would be confined to the furs, and the sale and management of lands.

Meet This Week

The board of directors, with the exception of the governor, Charles V. Sale, agreed in principle to the special committee. Mr. Sale, however, disagreed in the matter of the Canadian stores, and thereupon submitted his resignation.

A special general meeting of shareholders is being held in London on January 16 to consider the report of the special committee.

The special committee considers that the segregation of the Canadian stores from the London administration would result in more efficient management of the stores, increase the local interest in them, and bring about a substantial reduction in the work and expenses of administration in London.

Says Not Like Grand Trunk

Canadian investors as a class have avoided investment in Hudson's Bay shares because of the rather widespread fear that administration from London could not bring about efficient and successful management of such dynamic enterprises as department stores.

In an exclusive interview with Mr. Sale as long ago as November 9, 1928, The Financial Post voiced the criticisms which often are heard in Canada for the purpose of inviting Mr. Sale's views.

Mr. Sale's answer was that the Grand Trunk, the affairs of which had been mentioned, was one enterprise, but that the Hudson's Bay Co. was in a different class altogether. Then he detailed the chain of authority from the shareholders through the London committee to the Canadian committee. Subsequently, at the annual meeting last year, Mr. Sale stated that further authority was being vested in the Canadian committee and it was hoped that this move would be beneficial.

Has Been Moving Gradually

While no public statement has come from Mr. Sale since the announcement of his tendered resignation, it is possible that he does not believe it wise to accomplish at one stroke what he, with the consent of his fellow-directors, has been achieving more gradually.

The Nordon charges deal with the company's affairs back to war days. In all important particulars, the special committee finds that there was not justification for them and it is stated that, in the opinion of the special committee, the directors in all instances acted in good faith.

Beginning with the paragraphs dealing with the company's holdings in other companies, the report reads as follows:

These shares may be divided into the following categories:—

(a) Shares purchased for the purpose of gaining control or checking competition.

The book cost of these (including shares in Lampson & Co., hereafter referred to) is £607,747, and last year showed a return of approximately 5 per cent on this figure, which, in view of the trading conditions prevailing, may be regarded as not unsatisfactory.

(b) Companies formed and shares held or acquired for the purpose of developing and facilitating the Hudson's Bay Co's trade.

The total book value of these shares is £106,554, of which £95,000 was invested in connection with the Hudson's Bay North Russia Trading Co. The whole capital of this company is intact on deposit with the Hudson's Bay Co.

(c) Companies formed to operate, or shares acquired in companies operating, oil lands and a lead and zinc mine.

The book costs of these is £57,156. Two of these companies have during the last three years given no return. The investment in the third has paid very large dividends for the last three years. It is a mining undertaking, and it is understood that the mine is exhausted, and that no further return is to be expected, but that the capital invested will be repaid in full.

(d) The Merchant Trading Co., Limited, which has already been dealt with.

The balance of the shares in other companies represent companies formed for the purpose of protecting and preserving the name and rights of the Hudson's Bay Co. in certain parts of the world, and companies formed, or shares acquired, for the purpose of advertising the company. The amounts invested in these categories are comparatively small. They were not made with a view to obtaining any substantial return by way of dividend.

In the past the dividends received from the investments in shares of other companies have been included, partly in the trading accounts of the fur branch of the company's business, and partly in the other revenue accounts. It does not seem to the special committee that there is any reason why the return from these investments should not appear as a separate item in the published accounts of the company, and they recommend that this should be done in the future.

Shares in C. M. Lampson & Co.

C. M. Lampson & Company were engaged in the fur trade, and the board have explained to the special committee the circumstances under which they acquired and paid for certain shares in that company, which was formed to take over the business of the firm, and the reasons which actuated them in doing so.

The explanation given by the governor at the annual meeting after the agreement was entered into was, in the opinion of the special committee, unfortunate, in that it was incomplete. As it was the opinion of the board, an opinion they still hold, that it would be prejudicial to the interests of the proprietors to disclose the full details of the agreement, it would have been better to make a statement to that effect at the time.

In the circumstances the special committee are not prepared to take the responsibility of disclosing the details of the agreement which they have seen.

Criticism of Accounts

The special committee consider that the accounts might, without detriment to the company's interests, be so framed as to give more information to the proprietors.

The special committee have investigated this account in consultation with the auditors, and are satisfied that there is nothing "wrong with it," in the sense in which Mr. Nordon uses that phrase in his circular.

As explained by the governor to the proprietors at the general court held on June 27, 1930, the Canadian accounts are closed on dates which vary from the date to which the accounts are made up in London. Thus the published accounts made up to the 31st May, 1930, include the result of the fur trade for the preceding year ended on May 31, 1929, and the results of the Canadian stores and land department for the year ending on the 31st January, 1930. Consequently, the transactions which take place between the dates on which the accounts are closed in Canada, and the date to which the accounts are made up in London, are summarized and shown under the heading "Suspense Account" until the resulting profit or loss can be ascertained, when the necessary entries to the trading accounts and land accounts are made in the London accounts.

An examination of the details shows, as regards the fur trade, that the total amount expended on an outfit (i.e., the cost of purchasing and collecting furs during the year) is debited and any sales are credited: when the outfit is finally realized, the necessary entries are made.

The amount shown under "suspense account" in any year depends partly on the progress made in disposing of the outfit, partly upon the value of the merchandise shipped to Canada, and partly upon the amount of remittances to or from Canada, between the 1st February and 31st May in any year.

So large an item, in the absence of explanation, is, however, disturbing to proprietors, and the special committee think that in future arrangements should be made to state it in a form more easily understandable.

The total amount of new capital received from the issue of ordinary shares, and the premium thereon, was £1,967,331. This sum is accounted for by the increase in cash in bank and in hand, debtors and debtor balances, shares in other companies, land buildings, etc., in Canada, and the balance on suspense account, amounting in all to

to	£1,428,775
Merchandise, ships and steamers, and premises in London have been reduced by	236,753
	£1,192,022
Creditors and credit balances are reduced by	597,878
	£1,789,900
To this sum there falls to be added difference due to the reduction on allocation of profit and loss and land account, less increase in reserves	177,431
Making	£1,967,331

Anglo-Caucasian Oil

Mr. Norton suggests in his last circular that the embarkation of the Hudson's Bay Company's money in this company, and other oil ventures, could be explained, but not excused, by the fact that Mr. Sale and his colleagues on the board, were themselves interested in the companies concerned. The special committee have been informed by the board of the circumstances in which the Hudson's Bay Company came to acquire its interests in the Anglo-Caucasian Oil Company Limited, and are satisfied that this investment, though unfortunate, was not in any way influenced by the fact that Mr. Sale and other directors were interested in the companies referred to, which were only formed several years afterwards.

Remuneration of Directors

Mr. Nordon states in his circular that the directors have departed from the principle laid down in the company's charter, viz: that it should be under the control of a whole-time governor and deputy governor, with a committee consisting of substantial shareholders. The special committee can find no justification in the charter, or any of the other documents relating to the constitution of the company, for the suggestion that the governor, and deputy governor should be whole-time servants of the company.

Prince Rupert was appointed the first governor of the company by the charter in 1670, and it is hardly probable that he devoted his whole time to the business of the company.

With regard to remuneration, the by-laws of the company provide that "there shall be yearly allowed out of the funds of the company to the governor, deputy governor and the members of the committee a sum of £5,500 (all free of income tax) for their trouble and attendance upon the affairs of the company, or such sum as the company may at a general court allot for this purpose."

At a general meeting of the proprietors held on the 25th June, 1923, a further by-law was adopted, as follows:

"The board may appoint from time to time any one or more of their number to be managing director or managing directors, on such terms as to remuneration, and with such powers and authorities, and for such periods as they deem fit, and may, subject to the terms of any agreement entered into it in any particular case, revoke such appointment."

In terms of that by-law the governor and A. K. Graham were appointed managing directors, and have been paid additional remuneration as such, but such remuneration is not paid free of tax.

In the opinion of the special committee, the accounts, as published, rightly disclose only the remuneration of £5,500 free of tax, provided for by the by-laws, and do not show the amount of the remuneration paid to the managing directors, which is included in the general management expenses.

Although the Hudson's Bay Co. is a chartered company, and therefore not governed by the companies acts, it is interesting to observe that the new companies act, recently passed, while it requires that a company's accounts shall state separately the amount of the remuneration paid to the directors, expressly excepts from such disclosure remuneration paid to a managing director. The reasons for this are obvious.

Non-Qualification of Directors

The special committee think that Mr. Nordon is right, when he claims that it was irregular for the directors to appoint anyone to the board who was not already a member of the company. The Supplemental Charter, granted in 1912, clearly requires that every director shall be a shareholder. The parties who were so appointed appear to have acquired the necessary shares to qualify them, in accordance with the charter, after their appointment, and their appointments were confirmed by the proprietors in general court. The irregularity was therefore rectified when these directors were re-appointed.

The foregoing observations fully cover the criticisms made by Mr. Nordon, but before closing this portion of their report, the special committee desire to say that, in their investigations, and in arriving at their conclusions, they have endeavored to consider all matters without bias, either in favor or against, the board of directors on the one hand, or Mr. Nordon on the other. The fact that agitation may be bad for the business of a company, is obviously not a condemnation of all agitation: circumstances may be such that agitation is the lesser of two evils. They think it is unfortunate that Mr. Nordon did not confine himself to criticism of the business policy and management of the company, but was led into making personal attacks on certain directors. He, like any other shareholder, in the absence of full information on all material points has no doubt had to draw his own conclusions as best he could from such facts as were available to him, or as he was able to discover. It is evident that he has devoted a great amount of time and energy to his investigations.

In modern conditions, it is not feasible nor desirable, to lay down hard and fast rules to the effect that no director should be interested in any company having competing interests, or that a director must not be interested in any contract with the company. In these days of joint stock company enterprise, such a rule would unduly restrict the number of available directors, and possibly force a company to select its directors from those who know little or nothing of the business which the company conducts.

The special committee, while they disagree with some of the actions of the board, in the conduct of the business, feel that some of the criticisms made by Mr. Nordon may be justified, desire to put it on record that they see no reason to think that there has been any want of good faith on the part of the directors.

The above may be said to complete the reference made to the special committee. As in the course of their investigations, information and opinions received by them have led them to form certain views as to the conduct of the company's business, particularly as to the future management, they think it right to state the conclusions at which they have arrived, together with certain recommendations which they consider might be adopted and carried out with benefit to the company.

Before doing so, they consulted a sub-committee of the board, who had been appointed to consider these recommendations. The special committee understand that the board, (with the exception of the governor, so far as regards the transfer of the stores to a Canadian company) accept the proposals in principle, and are prepared to study at once the best ways and means of giving effect thereto.

The governor has intimated to the special committee that he considers the complete segregation of the stores from the other departments of the Hudson's Bay Company's business is opposed to the best interests of the company, and that accordingly he is not prepared to accept further responsibility for the conduct of the company's business, and is tendering his resignation.

There seems to be a strong feeling among some of the proprietors, that the whole business of the company should be transferred to Canada. The special committee are not certain that such a transference could be effected without losing some of the prestige, which the company has enjoyed for such a long period, but they do feel that the time has probably arrived, when the stores and the business connected with them, might with considerable advantage be made over to a Canadian company under the management of a Canadian board.

They consider that the costs of management, especially in London, are capable of very substantial reduction, and that, in these times, it is imperative that every economy consistent with efficiency should be exercised.

The fur sales and the disposal of the company's land would remain under the control of the company in London, which would act as buying agents here for the Canadian company.

The special committee therefore submit the following:—

Recommendations

1. That the company's Canadian stores should be segregated from the other business of the company, by the formation of a Canadian company, to be called "The Hudson's Bay Company Stores, Limited," registered in Canada; that the stores and store business be conveyed to it, the Hudson's Bay Company receiving shares, and possibly some debentures, to represent the value of the property and business; that arrangements be made whereby the public in Canada should have an opportunity of acquiring a substantial interest in the Canadian company, if they desire to subscribe or purchase the same.

2. That the London business should thereafter, primarily, be confined to the fur business, and the realization and management of the lands.

3. That the board be reduced to a governor, deputy governor, and a smaller number of directors; that no one of these should be appointed a managing director, but that a manager or managers, subject to instructions of the board, should be engaged to conduct that business or branches of the company.

It does not seem to the special committee that there are any legal difficulties in such arrangements being carried out, and they think that, if it is resolved to carry them out, the result might be:—

(a) More efficient management of the stores.

(b) Increase in local interest in them.

(c) Substantial reduction in the work and expenses of administration in London.

The special committee feel that the reorganization of the business, somewhat on the lines above indicated, is a matter of first importance. It must of necessity take some time to arrange and complete, but the special committee consider that the board should, without further delay, put in train the necessary steps to this end. While most reluctant to accept any further responsibility, the members of the special committee are willing, if the proprietors desire, to continue to act in a consultative capacity to assist in this connection, provided steps are taken to carry out the recommendations at once.

If this report is acceptable to the proprietors, the special committee trust that Mr. Nordon will not press the proposals put forward by him in the requisition for a meeting, which he has served on the board, and which in terms of the requisition will be set out in the notice calling the meeting to consider this report. Mr. Nordon's proposals if carried out would not, in the opinion of the special committee, serve any good purpose and, if passed, might prejudicially affect the company's future.

The special committee has arranged that the board, when transmitting this report to the proprietors, will enclose a form of proxy, in favor of the members of the special committee, for use by those proprietors who wish to support the recommendations of the committee.

Since the above report was prepared, Mr. Nordon has issued a further circular which the special committee has not had an opportunity of studying carefully, but it appears mainly to repeat the criticisms already made and dealt with above. Mr. Nordon does however state that only one of the members of the special committee is a shareholder in the company. This is not exactly correct, as in fact two of the members of the special committee hold shares in their own names. All the members are representatives of companies with very substantial holdings of shares.

Capital Expenditures $325,000,000 in 1931

Projected capital expenditures in Canada during 1931 involve the spending of about $325,000,000 according to figures given at the annual meeting of the Canadian Bank of Commerce by S. H. Logan, general manager. This compares with a similar estimate for 1930 of $500,000,000, made by the bank a year ago.

Mr. Logan reports that the majority of the projects included in the 1929 estimate have been carried out, the expenditures of the more important classes being as follows: electric power development, including the extension of transmission facilities, $90,000,000; public works, including transportation, $220,000,000; and expansion of industry and mining, $110,000,000. No detailed estimate for the 1930 figure is given.

Mining Stock Quotations

Week Ending January 12

Par Val.	Range 1930-31 High	Low	Company	Close Jan. 5 (or last)	High for week	Low for week	Close Jan. 1
1	1.42	.12½	Abana........	.15	.23	.16	.20
1	.09	.01	Aconda.......	.01	.01½	.01½	.01½
None	.50	.32	Aladdin......	.33	....	....	....
None	.50	.30	Aldermac.....	.40	....	....	....
1	.02½	.00½	Algonquin....	.02	.02	.01½	.01½
1	.19	.00½	Amity C......	.00½	.02	.01	.02
None	1.95	.24	Amulet.......	.34	.37	.32	.33
1	.04	.00½	Apex.........	.01½	.01½	.01	.01½
1	.10	.01½	Ares.........	.01½	.02	.01½	.01½
1	.02	.00½	Argo. Con....	.00½	....	....	....
1	.30	.00½	Arno.........	.01½	.02½	.01½	.02
1	.03	.00½	Astoria......	.00½	....	....	....
1	.01	.00½	Atlas........	.00½	....	....	....
1	.03	.01	Baldwin......	.01½	.01½	.01½	.01½
1	.25	.05½	Barry Holl...	.10½	.11	.10	.10½
None	4.45	.80	Base Metals..	1.25	1.30	1.10	1.20
None	.05	.00½	Bathurst.....	.00½	.01	.01	.01
5	6.10	1.75	B'Wana.......	2.00	1.75	1.75	1.75
1	.32	.12	Bedford......	.15	....	....	....
None	.11	.02	Bidgood......	.04½	.06	.04	.04½
1	1.04	.35	Big Missouri..	.46	.48	.40	.46
1	.11	.02	Bobjo........	.02½	.02½	.02	.02
None	.01½	.00½	Boischatel...	.00½	....	....	....
1	.08	.02½	Brett Trethewey	.02½	.03	.02½	.02½
1	.06	.03	Brit. Canadian	.06	....	....	....
None	.14	.01½	Brownlee.....	.05	....	....	....
1	.02½	.00½	Buckingham..	.00½	.01	.01	.01
1	.10½	.01½	Bunker Hill..	.04½	.06	.04½	.05
None	.08	.05	Cal. Flin Flon	.05½	....	....	....
None	.65	.12	Canam Metals	.12	....	....	....
1	.08	.00½	Can. Kirk....	.01½	.03	.02½	.02½
1	.06	.02	Can. Lorraine.	.02	.02	.02	.02
.	.15	.15	Canusa.......	.15	....	....	....
1	.03	.00½	Capital R....	.00½	....	....	....
1	.28	.15	Castle Tre...	.20	.22	.19	.22
1	.29	.03	Cen. Manitoba	.06	.09	.06	.08½
1	.30	.02	Cen. Patricia.	.03	.03	.03	.03
1	.07	.04½	Chaput H.....	.04½	....	....	....
None	1.05	.02	Chib. Pros....	.02½	.02	.02	.02
None	.12	.00½	Clericy......	.07	.08	.06	.07
5	24.00	4.00	Coast Copper.	4.50	4.50	4.25	4.25
1	.42	.02	Cobalt Con...	.02½	.03	.02½	.03
1	.04	.00½	Col. Kirk....	.00½	....	....	....
1	1.17	.05	Columario....	.07	.10	.08	.09
5	1.40	.51	Coniagas.....	.55	....	....	....
1	.60	.15	Coniaurum....	.35	....	....	....
25	230.00	120.00	Cons. Smelter.	150.00	149.50	145.00	145.50
1	.02	.00½	Corona.......	.00½	.00½	.00½	.00½
1	.02	.00½	Crown Res....	.00½	.01	.01	.01
None	.39½	.02½	Dom. Explor..	.03	.03	.03	.03
1	.01½	.00½	Dom. Kirk....	.00½	....	....	....
None	10.20	7.00	Dome Mines..	9.20	9.80	9.10	9.55
1	.05	.00½	Dunkin.......	.00½	....	....	....
1	.04	.00½	Duprat.......	.00½	.00½	.00½	.00½
1	.43	.18½	Eldorado.....	.23	.43	.24	.27
1	.01	.00½	Everett......	.00½	....	....	....
None	6.50	1.10	Falconbridge.	1.38	1.62	1.38	1.55
1	.03½	.00½	Federal......	.02½	.03½	.03	.03
None	.05½	.00½	Flintoba.....	.00½	....	....	....
None	.24½	.09	Gem Lake.....	.15	.22	.15	.22
None	.07	.00½	Gilbec.......	.01	....	....	....
1	.04½	.01½	Gildale......	.01½	.02½	.02½	.02½
10	.27	.20	Goldfield....	.22	....	....	....
1	.02	.00½	Gold Hill....	.00½	....	....	....
1	.10	.02	Goldfish.....	.03½	.03½	.02½	.03½
1	.03½	.00½	Graham.......	.00½	....	....	....
None	2.05	1.00	Granada......	1.45	1.75	1.50	1.70
1	.01	.00½	Grover Daley.	.00½	....	....	....
1	.10	.03½	Grozelle.....	.05	....	....	....
1	.03	.01	Harker.......	.01	....	....	....
1	.18	.10½	Hayden.......	.10½	....	....	....
1	.01	.00½	Hilltop......	.00½	....	....	....
5	7.30	4.90	Hollinger....	6.40	7.30	6.00	7.25
1	1.40	.14	Howey Gold...	.30	.31	.28	.31
None	14.65	3.50	Hudson Bay...	4.75	4.80	4.20	4.50
None	.31	.30	Huronian.....	.31	....	....	....
None	44.50	12.75	Int. Nickel...	15.50	16.75	15.25	15.50
1	.04½	.00½	Jackson M....	.01½	.02	.01½	.02
1	.40	.25	Keeley.......	.27	.28	.25	.27
1	.04	.00½	Keora M......	.00½	....	....	....
1	.01½	.00½	Kirk. Hunt...	.00½	....	....	....
1	.95	.35	Kirk. Lake...	.62	.70	.58	.69
1	.03½	.00½	Kirk. Prem...	.01	....	....	....
20c.	.08	.01	Koot. Flor...	.01	.01	.01	.01
1	.02	.02	La Rose......	.02	....	....	....
1	24.85	19.00	Lake Shore...	24.00	24.85	23.75	24.75
1	.04	.00½	Laval........	.00½	....	....	....
1	.01	.00½	Lorraine C...	.00½	....	....	....
1	.13	.05	Macassa......	.14	.13½	.12	.12½
1	.07	.01½	Malartic.....	.02	.03½	.03	.03
None	.35	.06	Mandy........	.06½	.09½	.08	.08
None	.17	.02	Man. Basin...	.02½	.03½	.02½	.03½
None	.30	.12	McDougall....	.15	....	....	....
1	.60	.25	McKinley.....	.25	....	....	....
5	23.00	15.05	McIntyre.....	21.00	23.00	20.90	22.15
1	.30	.04	McVittie.....	.04	....	....	....
5	3.60	.50	Mining Corp..	1.80	2.05	1.85	2.00
1	.01½	.00½	Mint Ore.....	.00½	....	....	....
1	.04½	.01	Moffatt Hall..	.01	.01½	.01	.01½
1	.04	.02	Moneta.......	.03½	....	....	....
1	.07	.00½	Mtl. Rouyn...	.00½	....	....	....
1	.80	.10	Moss.........	.10	.20	.20	.20
1	.05½	.01	Murphy.......	.01	.01	.01	.01
1	.26	.04	Newbec.......	.05½	.06½	.05½	.06
1	.05½	.02	Night Hawk...	.02	.02½	.02	.02
5	1.85	1.00	Nipissing....	1.15	1.30	1.20	1.25
None	44.25	11.70	Noranda......	14.75	16.25	14.25	15.00
1	.46	.18	Nor. Canada..	.31	.36½	.31	.36½
None	.07	.02	Old Colony...	.02	....	....	....
1	.03½	.01	Ophir........	.01	....	....	....
1	1.36	.06½	Oriole.......	.43	.10	.06½	.10
1	.30	.07	Osisko.......	.07	....	....	....
1	.04	.01½	Pawnee Kirk..	.01½	.02	.01½	.01½
None	5.15	.59	Pend. Ore....	.85	.85	.75	.75
1	.19½	.02½	Pete Cobalt..	.03½	.03½	.02½	.03½
1	.01½	.00½	Picard.......	.00½	....	....	....
1	.20	.04	Pioneer......	.04	....	....	....
1	.03½	.00½	Potter Doal...	.00½	....	....	....
1	1.60	.60	Prem. Gold...	.67	.77	.70	.75
1	.70	.04	Quemont......	.07	....	....	....
1	.03	.00½	Ribago.......	.00½	....	....	....
1	.10	.03	Ritchie......	.04	.04	.04	.04
1	.04	.00½	R. Montbray..	.01	....	....	....
1	.08	.01	Salmo Mal....	.01½	....	....	....
None	.35	.07	San Antonio..	.12	.14½	.12	.13
1	.56	.17	Seven Troughs	.18	.20	.18	.20
1	3.50	.55	Sherritt G....	.83	1.10	.84	1.00
1	.75	.24	Siscoe.......	.40	.45	.37	.44
1	.04½	.00½	So. Keora....	.03½	....	....	....
None	.07	.01½	Stadacona....	.02½	.04	.02½	.04
1	.29	.03½	St. Anthony..	.04	.04	.03½	.03½
1	.25	.11	Stewart Atate	.11	....	....	....
None	5.85	.45	Sud. Basin...	.69	.80	.60	.70
1	.05	.01	Sud. Contact..	.01½	....	....	....
1	.01	.00½	Sudbury M....	.00½	....	....	....
None	.20	.03	Sudbury N....	.03	....	....	....
1	1.00	.20	Sunloch......	.20	.25	.25	.25
1	1.02	.39	Sylvanite....	.54	.60	.51	.57
1	.22	.05	Tasbota......	.05	....	....	....
1	7.30	4.70	Teck Hughes..	6.40	6.60	6.25	6.40
1	.19	.04	Telluride....	.05	.07	.04	.06
1	.03	.02	Temiskaming..	.02	....	....	....
1	.12	.01½	Thom. Cad'c..	.04	.02½	.02½	.02½
1	.05½	.00½	Tough Oakes..	.00½	.01	.01	.01
1	1.50	.10	Towagmac.....	.20	.22	.20	.22
None	7.50	.75	Treadwell....	1.00	1.75	1.10	1.50
None	3.25	2.75	Tri-Metals...	2.75	....	....	....
.	.09½	.01	Vacuum Gas...	....	.02½	.02	.02
None	3.50	.30	Ventures.....	.41	.60	.43	.50
1	.50	.10	Vickers......	.10	....	....	....
1	1.42	.60	Vipond.......	1.01	1.12	1.00	1.10
None	5.65	1.40	Waite Ack....	1.90	2.00	1.90	2.00
1	.03	.01	West D. Lake.	.01½	....	....	....
.	.09	.01½	West Tree....	.01½	....	....	....
1	1.30	.12	White Lake...	.23	.24	.20	.24
1	.05½	.02	Wiltsey......	.05	....	....	....
None	.01½	.00½	Windfall R...	.00½	....	....	....
None	.07	.03	Wood Kirk....	.03½	....	....	....
None	2.30	1.35	Wright-Har...	2.05	2.15	1.90	1.99
			WESTERN OIL STOCKS				
1	.07	.05	Acme.........	.29	.29½	.25	.25
1	2.10	2.00	Admiral......	2.00	....	....	....
None	1.25	.22	Advance......	.23	....	....	....
1	3.75	.30	Alta Pac.....	.32	.35	.31½	.33
None	2.00	.18	Associated...	.19	.25	.19	.20
1	2.91	.80	Ajax.........	1.85	1.89	1.56	1.56
None	1.60	.08	Baltac.......	.08	.12	.09	.09
1	.20	.07	Black Dia....	.07	....	....	....
1	.74	.22½	Brit. Dom....	.26	.28	.27	.27
1	4.25	.20	Calmont......	.27	.32	.27	.27
None	3.90	.50	Calgary & Ed.	.56	.70	.62	.68
1	1.00	.10	Comm. Pete...	.45	.47	.31½	.33
None	.25	.10	Cypress......	.12	....	....	....
None	3.50	.45	Dalhousie....	.46	.60	.50	.59
None	.30	.04½	Devenish.....	.06½	.07	.05	.05
None	.26	.05½	Dome Oil.....	.11	.12	.11	.11
None	1.35	.18	E. Crest.....	.69	.62	.54	.59
1	.08½	.02	Fabyan Pete..	.02½	....	....	....
None	2.50	.40	Foothills....	.60	....	....	....
None	1.00	.14	Freehold.....	.17	.18½	.17	.17½
1	.20	.02	Great West...	.02	....	....	....
None	1.40	.10	Hargal.......	.11½	.17	.14	.14
None	.45	.12	Herron Pete..	.14½	....	....	....
None	.25	.05	High Sarcee..	.07	.07½	.06½	.07½
None	10.00	1.55	Home.........	1.94	2.00	1.65	1.75
None	.82	.09½	Homestead....	.20	.18½	.17½	.17½
1	.55	.04½	Ill. Alta....	.05½	.08	.05	.07
None	2.35	.25	Lowery.......	.59	....	....	....
1	.20	.02½	Madison......	.04½	.05	.03½	.03½
1	3.25	.40	Mayland......	.85	.85	.80	.81
None	.38	.09	McD. S. Ex...	.10½	.10½	.10	.10½
1	1.10	.25	McD. S. M....	.29	.29	.27	.29
1	5.90	.63	McLeod.......	.67	.72½	.70	.72½
None	.87	.20½	Mercury......	.37	.37	.34½	.35½
None	1.05	.03	Merland......	.18	.18½	.15	.16½
1	.42	.14	Mid West.....	.17	....	....	....
None	2.10	.15	Mill City Pete	.37	.38	.35	.38
1	.45	.18	Model........	.30½	.40	.31	.34
1	.91	.12	Monalta......	.15	.12	.12	.12
1	.30	.12	Moose M......	.12	.31	.30	.30
1	.10	.02	New Federal..	.02	....	....	....
None	2.32	.34	Nordon.......	.38½	.42	.34½	.36
None	.27	.04	Oil Select...	.06½	.07	.04½	.04½
None	2.10	.24	Okalta.......	.25	.27½	.25	.27½
None	.25	.06	Olga Gas & Oil	.06	.10	.06	.08
1	.58	.11	Petrol.......	.34	.36	.33	.33½
.	2.45	1.70	Penn. Pete...	2.30	....	....	....
None	.43½	.06	Ranchmen's...	.10	....	....	....
1	.45	.03	Regent.......	.04½	.05	.05	.05
None	.48	.05	Richfield....	.09½	.13	.09½	.11½
None	65.00	15.00	Royalite.....	15.50	17.50	15.50	17.50
1	1.46	.20	Sarnia Oil...	.20	....	....	....
1	.50	.15	Sioux City...	.15	....	....	....
1	.22	.04½	Signal Hill..	.05	.05½	.04½	.04½
1	1.30	.35	Spooner......	.38	.44	.42	.44
None	2.10	.24	So. West Pete.	.27	.24	.24	.24
None	1.08	.06	Sterling Pac..	.18	.19	.17½	.18
1	.20	.15	Turner Basin.	.20	....	....	....
1	.60	.08	Turner Valley.	.15	....	....	....
None	1.65	.25	United.......	.31	.31	.27½	.28
None	.83	.19	Vanalta......	.19	....	....	....
1	.80	.11½	Vulcan.......	.15	.15½	.15½	.15½
None	.15	.01½	Wainwell.....	.02½	.05	.02½	.02½
1	1.75	.14	Waite Valley..	.15	....	....	....
.	.62	.50	Wellington...	.50	....	....	....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to January 7)				
25c.	....	....	Bayview......	.01	.01	.01	.01
1	....	....	Beaver Silver.	.01	.01	.01	.01
25c.	....	....	Bluebird.....	.02½	....	....	....
25c.	....	....	Cork Province	.00½	.01	.01	.01
1	....	....	Cotton Belt...	.15	.18	.15	.18
1	....	....	Duthie.......	.14	....	....	....
1	4.50	.55	George Copper	.55	.65	.60	.65
1	....	....	Georgia......	.02½	.02	.02	.02
50c.	....	....	Geo. Enterprise	.10	....	....	....
10c.	....	....	Gladstone....	.20	....	....	....
2	1.90	....	Golconda.....	.35	....	....	....
50c.	.90	.02	Grandview....	.04	.04	.03	.04
25c	....	....	L. & L.......	.01	....	....	....
1	....	....	Inter. Coal...	.15	....	....	....
1	....	....	Independence.	.01	.01½	.01½	.01½
1	.09	.00½	Indian Mines.	.01	....	....	....
1	....	....	Jack Waite...	.45½	....	....	....
25c.	....	....	Lakeview.....	....	.00½	.00½	.00½
1	....	....	Los Ang. Van.	.12	....	....	....
10c.	.10	.01	Lucky Jim....	.02½	....	....	....
25c.	.56	.01	Kootenay King	.01½	....	....	....
2.50	....	....	Marmot Gold..	.01	....	....	....
25c.	....	....	Mohawk.......	.00½	.00½	.00½	.00½
1	....	....	Montana Mines	.02	....	....	....
1	.13½	.01½	Morton Woosley	.02½	.04	.03½	.04
50c.	.26	.01½	National Silver	.02	.02½	.02½	.02½
50c.	.40	.03	Noble Five...	.05	.05	.04½	.05
50c.	.17	.04	Oregon Cop...	.06	.05½	.05½	.05½
1	1.75	.75	Pioneer Gold..	1.20	1.35	1.23	1.35
50c.	.15	.06½	Porter Idaho..	.06½	.08½	.08	.08
None	....	....	Premier Border	.00½	.01	.01	.01
1	1.00	.07	Planet Mines.	.07	....	....	....
None	1.78	.20	Reeves McD...	.25	.25	.25	.25
1	....	....	Reno Gold....	.10	.12½	.12½	.12½
1	.57	.02	Rufus Argenta	.03	.02	.02	.02
1	.25	.04	Ruth Hope....	.04½	.04½	.04	.04½
1	....	....	Silverado....	.04	....	....	....
25c.	....	....	Silver Crest..	.02	....	....	....
20c.	....	....	Silversmith...	.05	....	....	....
50c	.26	.01	Snowflake....	.02	.03	.01½	.01½
1	.01½	.01½	Terminus.....	.01½	....	....	....
50c.	.06	.01	Topley Rich...	.01	....	....	....
5	.30	.25	Toric........	.25	....	....	....
20c.	....	....	Wellington...	.01	....	....	....
1	.24	.05	Whitewater...	.05	....	....	....
None	.05	.00½	Woodbine.....	.01½	.01½	.01½	.01½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters....	$12.50	8.59	Nipissing........	30c.	24.00
Dome Mines........	$1	10.48	Premier..........	12c.	16.00
Hollinger.........	65c.+5c.	9.65	Royalite.........	50c.	....
Home Oil..........	25c.	....	Sylvanite........	$2	3.50
Inter. Nickel.....	$1	6.45	Teck Hughes......	60c.	9.37
Lake Shore........	$1.20+30	6.06	United Oils......	5c.	....
McIntyre..........	$1	4.51	Wright-Har.......	5c.	....

Automobile Financing Is Lower in November

Canadian automobile financing in November dropped from the volume of the previous month as well as November, 1929. A total of 6,684 cars were financed to the extent of $2,991,480 as compared with 8,025 cars in October to the amount of $3,763,821. In November, 1929, 8,979 cars were financed: the dollar volume being $4,892,927.

Of the total number of cars financed in November, 1,575 were new cars financed to the amount of $802,187 which represents a decrease of 66 per cent from volume of financing in November, 1929. Used cars numbered 5,109 financed to the amount of $2,189,293 or but 13 per cent under the financing of the corresponding month of 1929.

During the 11 months ended November 30 there have been 120,910 cars financed to the extent of $59,734,018 in Canada. This represents a decline of 23.6 per cent in number and 29.6 per cent in dollar volume from the corresponding period of 1929.

Powell River Capacity Raised to 630 Tons Daily

MONTREAL. — Powell River Co., whose paper mill is situated 80 miles north of Vancouver, has made good progress with its new hydro-electric undertaking on Lois River, where the first unit of 24,800 h.p. is being installed.

It is expected to have this ready for operation about March next, and the power will be transmitted over a 66,000 volt line, already constructed, to the pulp and paper mills of the company at Powell River. Completion of the plant with a second unit will be proceeded with during 1931.

Plaster Mill in Vancouver

The Standard Gypsum Company of Canada Limited has announced its intention to build a plaster mill at Vancouver at a cost of $100,000, to take the place of the present warehouse.

FREDERICK G. TODD
Landscape Architect
920 Castle Bldg., MONTREAL
Marquette 9617

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(Successors to Robinson & Black)
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DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Mutual Life of Canada
THE
MUTUAL LIFE
Assurance Company
OF CANADA
WATERLOO, ONT.
maintains its strong position
• • •
A few of the outstanding features of its Sixty-first Annual Statement are:
Net Surplus earned - - - - - - - - $5,254,351
Increase over 1929, $211,316
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
Dividends paid policyholders in 1930 - - $5,080,789
An increase of $507,614 over 1929
There is no capital stock, hence no dividends to shareholders.
Surplus funds and Contingency Reserves $ 12,468,009
Total Income - - - - - - - - - $ 25,883,721
Total Assets - - - - - - - - - - $116,662,059
Assurances in Force - - - - - - - $492,833,318
New Assurances paid for in 1930 - - $ 60,526,212
Rate of Interest Earned on Invested Assets 6.13%
Lowest Expense Ratio in the Company's History
The highly satisfactory results of the operations of the past year permit the continuation of surplus distribution to policyholders during 1931 on a basis as liberal as heretofore.
• • •
A Purely Mutual Company
Established 1869
The 61st Annual Meeting of the policyholders will be held on Thursday, February 5th, 1931, at the Head Office, Waterloo, Ontario.
R. O. McCulloch, *President* C. M. Bowman, *Chairman of the Board*
Louis L. Lang, *1st Vice-President* W. H. Somerville, *General Manager*
PROGRESS OF THE COMPANY
Year	Income	Assets	Paid to Policyholders	Business in Force
1890........	$ 489,858	$ 1,696,077	$ 176,151	$13,710,800
1910........	3,020,996	16,279,561	804,759	64,855,279
1930........	25,883,721	116,662,059	13,394,440	492,833,318

Pulp and Paper Industry

Holt Draws Attention To Weakened Position Of Newsprint Industry

Limiting New Machines for Time Being, is Suggested

PRO RATE TONNAGE

Uniform Percentage of Operations Looked Upon as Valueless Under Present Conditions

From Our Own Correspondent

MONTREAL. — Unsatisfactory conditions in the newsprint industry have finally been admitted publicly by a prominent banker and financier. At the annual meeting of the Royal Bank of Canada, Sir Herbert Holt, president of that institution, said conditions within the industry were most unsatisfactory, caused by unwise over-expansion and the reduced demand brought about by world-wide depression.

Whether this pronouncement means that the banks will take a more active part in settling the affairs of the industry, remains to be seen. For many months it has been considered that the banks are in a position to quickly and effectively bring about a reorganization of the industry on sounder lines.

Failure to admit of the situation or to take part in bringing about the readjustments has caused comment. The banks have an important stake in the newsprint industry and on that account it is believed that they should take steps to provide for greater protection of their interests.

Limit New Installations

In the course of his remarks at the bank meeting, Sir Herbert said that he thought it advisable for the provincial governments to prohibit further machine installations until demand caught up with the present supply and also that they should insist on all Canadian companies operating at the same percentage of capacity. This, in Sir Herbert's opinion, would do away with futile competition and useless price cutting and leave the industry in a substantially stronger position.

Both remedies are regarded as being interested, but will hardly meet with the approval of all parties. Further the proposals, if put into effect, would be only a temporary step-gap and would not bring about permanent relief.

Suggestion Lacks Force

In respect to prohibiting the installation of further machines. This policy has been advocated by The Financial Post for months past. Prorating of orders, however, is another matter. The greatest obstacle to its accomplishment, however, is the extreme doubtfulness of receiving the co-operation of all the governments involved. Ontario and Quebec have the largest stake and are mostly concerned.

Operations of the British Columbia mills have no effect on the Eastern market, so that that province can be eliminated. Manitoba has only one newsprint mill, which caters to the mid-west market. Nova Scotia and New Brunswick each have one mill. Both plants are operated by companies outside of the Newsprint Institute of Canada, which organization represents the producers in Quebec and Ontario. Further both Maritime mills are of comparatively recent origin and for political, as well as economic reasons, neither government would consider any proposal which would limit operations of these mills for the betterment of the Quebec-Ontario plants.

Coming down to Quebec and Ontario, there are only three large producers which are not members of the Newsprint Institute and not operating on a ratio basis. These are the Canadian International Paper, Ontario Paper and Spruce Falls Pulp and Paper.

In respect to the first company, it is co-operating closely with the Institute and though not a member has placed considerable tonnage with that organization's members. Ontario Paper Co. is a private venture, producing paper exclusively for the Chicago Tribune. There is no sound reason for that company cutting its operations and buying its needs elsewhere, when its present equipment is insufficient to handle the parent company's own requirements.

Spruce Falls Power and Paper is in much the same position as Ontario Paper Co.. The major share of its production to the New York Times, which owns a 49 per cent interest in the mill. The reasons for this organization not cutting down its newsprint operations are the same as those given for Ontario Paper.

Operating Change Unlikely

Thus it is apparent that the pro rata distribution of newsprint orders has been carried about as far as it can be. Certain minor changes might possibly be effected, but no major change is possible, except that Canadian International Paper be placed on the same basis as that of the Institute members. There are a number of reasons, chiefly the Sherman anti-trust law, which would not make this move practicable or possible.

Obviously any changes that are effected to bring about an improvement in the newsprint industry will have to be done on a much wider plane than as suggested by Sir Herbert. The Financial Post has contended for some time that it is essential that capitalization be brought into line with earning power. This step would naturally involve substantial cuts by certain of the producers.

Capital Cut Expected

This fact is recognized within the industry, but to date the interested parties have failed to come to an understanding of the means or the extent of the capital readjustments. Negotiations have been carried on almost continuously for many months past, but the solution is still in the offing.

Meanwhile interest in newsprint securities is negligible. Trading is of limited proportions. Moreover stocks have reached such a point, that they have little or no borrowing power. Preferred issues are selling on a yield basis, in some instances, of more than 20 per cent. Bonds return a yield, which place them in the same rank as a second-rate preferred stock. Most values have slipped off in anticipation that a recapital reorganization will have to come about and that under the new line-up values will be substantially cut.

Dominion Steel Co. Starts Rolling Mill

From Our Own Correspondent

MONTREAL — Though official order has not been received, Dominion Steel and Coal Corp. has placed its Sydney plant at work with rolling an order believed to be 30,000 tons of 130-pound rails for the Canadian National Railways. The order has been anticipated for some time, all equipment was in readiness and about 3,000 tons have already been put through the rolls. Sydney mills will also be called upon to run out 1,000 tons of steel car axles for the plant's recent railway order. Michigan Central order is not expected to be above 2,000 tons.

It is officially stated that the Sydney plant will continue on single shift with one blast furnace and seven of the twelve open hearth furnaces operating. The Canadian National Railway order will keep the mills busy until the end of March, by which time it is expected they will be called upon to roll similar steel for the Canadian Pacific Railway.

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Daily Capacity 2200 Tons Newsprint
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The Canada Power & Paper Corporation

Total Daily Capacity of Plants:
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Head Office:
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LONDON LIFE INS. SURPLUS ACCOUNT UP HALF MILLION

Industrial Business Now on 3 Per Cent Basis Says Reid

Further details of the 1930 record of the London Life Insurance Co., which supplement those published in The Financial Post last week, are contained in a preliminary statement issued to the company's agents in the weekly publication "Nuggets." Net insurance issued, as announced last week, was $107,189,024 a decrease of $3,198,348 from last year's total, while net insurance in force increased $32,372,969 to $4 9,700,600.

The company reports that it earned 6.46 per cent during the year on its mean invested assets as compared with 6.45 per cent in 1929. Total income was $17,590,192 which is nearly $2,000,000 above the 1929 figure. Assets are $65,346,490 an increase of $7,538,336 while policyholders surplus (including paid-up capital) has been increased by $496,751 to $2,863,631, this being the largest amount ever added in one year to general surplus.

Dividend Scale Assured

In commenting on the company's showing for 1930, E. E. Reid, managing director draws attention to the fact that last year the company made a start toward putting the company's industrial business on a 3 per cent basis. With the addition to surplus this year, all the company's industrial business has been placed on this basis. "Provision has also been made," says Mr. Reid, "in the most ample manner for every contingency, a substantial sum has been added to investment reserve and the largest amount yet recorded in any year has been added to the general surplus. From these facts it is easy to conclude that a continuance of the generous dividend scales to both industrial and ordinary policyholders is assured.

"Income has been well maintained, the assets show normal growth and the rate of interest earned on the investments shows a trend upward. As the assets are entirely free of any speculative securities, they are not subject to violent fluctuations on account of changing market conditions. It is remarkable that in spite of general complaints concerning collections, the overdue interest on our mortgage investments is practically as favorable as it was last year. The actual arrears are only 6/100ths of one per cent of the mortgage investments."

Capital Stock is Doubled

The company's annual meeting will be held on January 19. The following summarizes figures from the preliminary statement and shows comparative figures for 1929. It will be noticed that since the company's last statement was issued in 1929, paid-up capital stock has been increased from $100,000 to $200,000 by reason of new stock issued and 40 per cent called and paid, by bonus. Authorized capital is $1,000,000 of which $500,000 is subscribed.

Income	1930	1929
Premiums:		
"Ordinary" (net)	$ 7,443,954	$ 6,749,479
"Group" (net) ...	390,455	353,559
"Industrial"	5,143,495	4,672,418
Consideration for annuities	116,119	135,320
Total prem. inc.	$13,094,024	$11,910,776
Interest, dividends, rents (net)	3,507,071	3,062,786
Other receipts	989,097	685,153
Total income	$17,590,192	$15,658,615
Disbursements		
Pay. to policyholders	$4,717,379	$3,763,508
Policyholders profits	1,115,321	926,842
Total	$5,832,700	$4,690,350
Expenses & taxes ..	4,304,448	4,127,594
Total disbursements .	$10,137,149	$8,817,944
Assets		
Total assets	$65,346,491	$57,808,155
Policyholders surplus*	2,863,631	2,366,881
Rate of int. earned ..	6.46%	6.45%

*Including paid-up capital of $200,000 in 1930 and $100,000 in 1929.

Business	1930	1929
New ins. issued .. (net)	$107,189,024	$110,387,372
Total in force (net)	$439,700,600	$407,327,681

English Electric Declares Regular

English Electric Co. of Canada last week declared the regular quarterly dividend of 75 cents on the Class "A" stock, payable January 15, to holders of record December 17.

CENTRAL STATION OUTPUT DECLINES DURING NOVEMBER

Production Now More Closely Approximates Index of Business

From Our Own Correspondent

MONTREAL.—Output of central electric stations in Canada is beginning to reflect more closely the actual demand for electricity. In the early fall months, the returns were affected, to some extent, by shortage of water in different provinces.

Operations in November last were of more normal proportions and output was on a basis comparable with that of the same month of 1929. During November last central electric stations reported an output of 1,485,136 thousands of kw.h., of which 1,457,898 was generated by water power and 27,238 by fuel. In the same month of 1929, total production was 1,595,048 thousands of kw.h., 1,559,178 being credited to water power and 35,870 to fuel.

Output Generally Lower

In the returns by areas, it was noted that the output in November last, as compared with November of the preceding year, showed an increase only in the Maritime Provinces and British Columbia. Following are the output figures by provinces in thousands of kilowatt hours, together with comparative figures for November, 1929, in brackets: Maritime Provinces, 36,070 (16,989); Quebec, 748,506 (797,314); Ontario, 480,131 (542,228); Prairie Provinces, 83,193 (111,318); and British Columbia 109,998 (91,329).

Similar comparative figures on output generated by fuel in thousands of kw.h. follow: Prairie Provinces, 19,506 (18,188); other provinces, 7,732 (17,732).

Cumulative Figures Ahead

Cumulative production figures for the first eleven months of 1930 show that production was slightly ahead of that of the corresponding period in the preceding year. Output from all sources between January and November last year totalled 16,178,833 thousands of kw.h., as against 16,090,866 in the same period of 1929. Comparative figures follow:

	Thousands of Kw.h. — 11 months — 1929	1930
Gen. by water	15,797,834	15,905,222
Gen. by fuel	293,032	273,611
Total	16,090,866	16,178,833

Prairies Show Decline

In analyzing the returns by areas of electricity generated by water power, it is noted that the prairie provinces is the only area to report a decrease, for the eleven months period. The Maritimes recorded the greatest increase, this being due to the fact that the establishment of a paper mill at Liverpool, N.S., created an unusually large demand for power. The gains recorded by the central stations in the different areas are shown below. These figures apply to electricity generated by water power only:

	Thousands of Kw.h. — 11 months — 1929	1930
Maritimes	167,885	340,990
Quebec	7,930,270	8,033,724
Ontario	5,106,170	5,492,381
Prairie Prov.	1,089,336	1,046,726
Brit. Columbia	994,173	1,046,400

Fuel Output Lower

Generally speaking the amount of electricity generated by fuel in the first eleven months of 1930 was less than in the same period of 1929, as will be seen from the following table:

	Thousands of Kw.h. — 11 months — 1929	1930
Prairie Prov.	190,098	191,373
Other Provinces	102,934	82,238

An interesting feature of the central electric station output figures for January to November, 1930, is to be seen in exports which totalled 1,470,304 thousands of kw.h., as against 1,342,398 in the same period of 1929.

As Others See Us

Tariff Making

Saskatoon Star-Phoenix—The Financial Post of Toronto reports that in recent months all Canadian manufacturers have been asked by the Dominion government to state the nature and quantity of their output, the sources of the competition they meet, and their requirements in the way of tariff protection. These preparations, says The Post, point to a further revision of the tariff at the regular parliamentary session.

But the Toronto paper wonders "how any scientific revision can be carried out after purely departmental examination of the briefs that will be submitted." It points out that Mr. Bennett scrapped the only scientific cog in the tariff making machine when he fired the tariff board and all its experts. He has not yet replaced that body.

Unless Mr. Bennett takes steps to reinstate the tariff board or a substitute, it must be presumed that the advice of manufacturers on how much protection they need is the only advice on this subject that Mr. Bennett wishes to have.

Metro. Chain Stores December Sales Off

From Our Own Correspondent

MONTREAL. — Metropolitan Chain Stores Inc., reports sales for December, 1930, of $1,605,690 as compared with $1,952,190 in the same month in 1929, a decrease of 17.7 per cent.

Sales for the year 1930 totalled $9,065,382 as compared with $10,218,074 in 1929, a decrease of 11.28 per cent.

Schulte-United Stores Sales Up 38 Per Cent in 1930

From Our Own Correspondent

MONTREAL. — Sales of Schulte-United Stores in 1930 amounted to $27,644,306 as compared with $19,934,861 in 1929, an increase of 38.67 per cent. Sales in the month of December, 1930, showed an increase of 2.19 per cent over the same period in 1929, amounting to $3,996,700.

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ONTARIO LAND SURVEYORS
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Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ontario

Algoma Bondholders Accomplish Progress

From Our Own Correspondent

MONTREAL. — Further progress has been made at several special meetings of bondholders in connection with the scheme whereby Lake Superior Corp. will be released from its guarantee of the bonds of Algoma Central and Hudson Bay Railway and Algoma Central Terminals.

Holders of railway and terminal first mortgage bonds have met in London and holders of the second mortgage bonds of the railway company have met in Montreal. At these meetings resolutions were passed unanimously approving of the appointment of the Royal Trust Co. as trustee under their respective trust deeds, in place of the New York Trustee.

This approval is part of the procedure preparatory to confirmation of the agreement. Other meetings of bondholders will be held on January 16 for approval of the scheme of arrangements itself.

Chartered Trust Opens Branch in Montreal

From Our Own Correspondent

MONTREAL.—Chartered Trust and Executor Co. of Toronto will establish a branch in Montreal and will share the offices occupied by the Quebec Savings and Trust Co. F. W. Tofield will be the manager.

C. G. Greenshields, K.C., vice-president of Quebec Savings and Trust Co., has joined the board of Chartered Trust and Executor Co. Closer relations between the companies is seen in the announcement.

Chartered Trust and Executor has an authorized capitalization of $2,500,000, of which nearly $987,900 was paid up, according to the financial statement of 1929. Of the $21,236,161 of assets shown, $17,103,579 represented estates and agencies' accounts.

In addition to being president of the Quebec Savings and Trust Company, Mr. Greenshields is president and director of the Cooksville Company; a director of Brompton Pulp and Paper Company, and a director of Montreal Life Insurance Company.

Coastal Shipping Heavier

New Westminster Pacific Coast Terminals show an increase from 171 to 228 ships loading at the company's wharves during the first nine months of 1930 as compared with 1929, with a correspondingly large increase in the volume of commodities handled.

GATINEAU POWER ORDER MACHINES FOR PAUGAN UNIT

Dominion Engineering Works and Westinghouse Get Contracts

From Our Own Correspondent

MONTREAL. — Orders for the water wheel and generator of the new 34,000 h.p. unit which will be installed in its Paugan hydro-electric plant on the Gatineau River, have been placed by the Gatineau Power Co. The water wheel has been ordered from Dominion Engineering Works, and will be a duplicate of those now in operation. It will have an operating head of 135 ft. and a speed of 125 r.p.m.

The order for the generator, also a duplicate of the others in the station, has been placed with Canadian Westinghouse Co. It will have a capacity of 28,500 k.v.a., a voltage of 6,600, and a frequency of 25 cycles per second.

One Unit to Add

The new unit will be the seventh in the Paugan plant and will raise its installed capacity to 238,000 h.p. As the plant can house 8 units, no extension of the power house structure will be required, and only the cost of the machinery of the new unit will be involved, resulting in relatively low additional capital cost per horsepower.

It is four years this month since Gatineau Power Co. started its development programme. Between January 4, 1927, when the first unit in its Chelsea power house was turned over, to early in 1929 when the fourth generator in its Farmers and Chelsea plants were completed, Gatineau Power in two years placed in operation in the Farmers, Chelsea and Paugan hydro-electric plants, fourteen generators totalling 436,000 h.p.

In addition Gatineau Power Co. constructed or installed 87,560 h.p. in other plants, making a total installation in the three years of 523,560 h.p., or 89 per cent of all other such installations in Canada in that period.

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Opportunities in Canada

New Information For Business Men

Market Surveys — A carefully compiled estimate of Canadian purchasing power for 1931 in each of the five economic areas, with key statistics for 80 or more leading Canadian cities — illustrated with colored maps and charts.
Foreign Capital — Analysis of foreign capital invested in Canada.
Branch Plants—Analysis of Canada as a field for foreign branch plants; showing how American and British manufacturers may take advantage of tariff and resources to manufacture profitably in Canada.
Foreign Trade—Details of Canada's trade treaties with Great Britain and with other countries—volume and type of trade now carried on.
Agriculture—Revenue by provinces and commodities.
Mining — Value of production and the buying power represented in this important field.
Analysis of Industries—Value of production, capital invested, latest statistics and outlook in all of Canada's most important industries.
International Trade—What Canada sells to and buys from other countries.
Commodity Prices — Price records on over 100 articles. Cost of living.
Population and Immigration — Present position and statistics for years back.
Taxation—Income Tax, Succession Duties, Corporation Taxes,—the laws and regulations.
Canadian Banking—Returns of chartered banks, bank debits, branch banks.
Insurance, Trust and Loan — Details of position of life and fire insurance companies and of fraternal societies—facts re trust and loan companies.
Investment Situation—Trend of common stocks by groups. Record of bond sales.
Transportation and Communication — A picture of the importance of this vital factor in Canada's growth.

THE FINANCIAL POST
BUSINESS
YEAR BOOK
1931
(Seventh Year of Publication)

IN TIMES of prosperity, statistics are too often ignored by business men. In times of depression the story is different and business takes a keen interest in any or all statistical data that may possibly unlock prosperity's door.

For this reason The Business Year Book, 1931, should be of particular interest to business men in Canada and to those outside Canada who are searching for new markets for their goods, and for accurate and up-to-date economic data about this Dominion and about Newfoundland.

The 1931 Business Year Book is larger than any of its six predecessors due to the enlargement and revision of practically every chapter. New features include:

An analysis of branch plants in Canada.

Eight pages of new market survey data, in addition to the nine pages published last year, including detailed population maps for each economic area.

Appearance for the first time of a 1930 estimate of Canada's balance of International Payments.

A survey of commodity prices in Canada for 1930 as compared with other world countries.

A double-page map showing Canada's world position as a trading nation.

As in the past The Business Year Book aims to give an up-to-date and authoritative analysis of every phase of economic activity in Canada, and is designed to be a standard reference work on Canadian business, both to Canadians and to those outside Canada who are interested in the Dominion.

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EXPECT QUEBEC TO FOLLOW LEAD OF ONTARIO ACT

Workmen's Compensation Legislation is Sponsored By Labor

GOVERNMENT IS FIRM

Proposed Move Would Eliminate Private Companies From Field

The definite stand taken by the Quebec Government in favor of a workmen's compensation act modelled after that of Ontario is regarded as certain indication that legislative action will be taken during the next session. Attempts by insurance interests and some manufacturers to have the government modify its views have brought no result and the Quebec division of the Canadian Manufacturers' Association will offer its assistance in drafting of the new act should the Government not change its present attitude.

Under the present system in Ontario the sole source of revenue of the Ontario Workmen's Compensation Board is derived from the employers who are grouped in 24 classes, in turn divided into groups. Employers are assessed according to the amount of their respective payrolls and the hazard of occupation in their particular group. It is this system that it is proposed to place in effect in Quebec. Under the present act, Quebec allows employers to carry their own insurance or to insure through private companies. Some 51 per cent of the employers carry their own insurance.

Labor Favors Ontario Plan

Organized labor has taken exception to the present act and has demanded the change to the Ontario system. Public opinion is also reported to favor the change. Action by insurance companies and employers is regarded as having been taken too late to change the government in its course of action which was announced in the address from the Throne and has since been repeated from the public platform. Under the proposed new system employees will not be given the option of either carrying their own insurance or placing their insurance with a private company but must pay to the Government commission the annual assessment which varies with their own experience in past years.

With no competition, no wages and little overhead it is held that the Ontario system is able to operate at a much lower cost than in Quebec. The cost in Ontario in 1929 is given at 4.26 per cent. Private or self insurance, as now carried on in Quebec, results in an expense ratio of from 20 to 35 per cent.

Employers Object

Representatives of insurance companies in considering what action shall be taken in opposition to the proposed legislation are reported to base their case on a memorandum prepared by one of the largest employers of labor in Quebec. This memorandum states that certain features of the situation warrant special study and consideration and are outlined as follows:

"1—The Ontario scheme of state insurance is cited as the ideal method from the viewpoint of labor. It should be pointed out that, even if state insurance were introduced into Quebec, there would be no added benefit for the injured employee claiming an indemnity; under both the Ontario and the existing Quebec law, the Workmen's Compensation Commission is the court of award.

"2—Up to now, no complaint has been made by organized labor, or by anyone in behalf of injured workers in Quebec, against awards handed down by the Quebec Workmen's Compensation Commission. Creation of that commission, and removal of awards from the law courts, have fully met labor's demand for the removal of delays and heavy costs of fighting claims in a court of law.

Facts Against System

"3—But organized labor does put forward the argument that the Ontario state insurance system would be more beneficial to the employer in this province than is the existing Quebec law. The record of Ontario compensation legislation hardly bears out labor's assumption, for the following reasons among many others:

"(a) Operations of the Ontario Workmen's Compensation Commission in 1929 led to a deficit of $649,458.

"(b) This deficit proves that premium rates set by the Ontario commission are too low to meet awards and expenses.

"(c) Many comparisons between Ontario and Quebec compensation insurance rates are unjust to Quebec. These comparisons are usually made without a proper analysis which, if made, would demonstrate that the variation, if any, is slight and that very often the Ontario rates are not sufficient to take care of claims; for instance, the logging and lumbering industry in Ontario has produced a deficit for several years, in 1929 the actual deficit reported amounting to $187,341.

"4 Organized labor's demands for institution of the Ontario system has been insistent, and the spearhead of that demand has been the argument of reduced premium rates. If organized labor in Quebec has been granted the awards commission for which it clamored and has demonstrated no dissatisfaction with the manner in which commission awards have been made in this province under the 1928 act, it is reasonable to presume that, as opposed to the position of the employee, the individual paying for compensation insurance might well claim priority in selecting the manner in which he shall purchase it."

Offer Assistance

George A. Savoy, president of the Quebec division of the Canadian Manufacturers Association is reported to have made the following statement as to the attitude of the Quebec division:

"We decided to let the Government know that self-insurers still protest against a change to what is called State insurance.

"At the same time we decided that, if the Government has made up its mind definitely to introduce the new system, the manufacturers will offer to collaborate in the drafting of the statute, and to aid in making the law as good as possible. We made preparations for the naming of a committee to undertake that collaboration; indeed, the personnel is practically settled already."

Support is Half-Hearted For Life Insurance Day

Some Canadian Companies Staging Special Campaigns on January 21, Others Not Enthusiastic—Movement Began in U.S.A.

Rather half-hearted support has been accorded this year to the idea of a life insurance day in Canada, which would tie-up with a national campaign put over each year in the United States. This year life insurance day in the United States falls on Wednesday, January 21, and although one or two leading Canadian companies, notably the Canada Life and the Mutual Life, are making special efforts to crystallize their message of thrift and protection at this time, the majority of Canadian companies interviewed by The Financial Post expressed themselves as being only luke-warm to the proposition.

Some companies apparently object to Canada playing a minor rôle in an American campaign, this criticism being raised in all probability due to the fact that there is no Canadian organization which has definitely taken the matter in hand this year to plan the campaign for Canada and enlist the support of Canadian companies. Other companies object to the time of year at which this "day" comes, as it clashes with the time when most Canadian companies are in the thick of annual meetings or in preparations therefor. In the United States the day is being devoted to the promotion of public interest in life insurance and is part of a national "Thrift Week" sponsored annually by banks, trust and insurance companies, and realtors.

Canadian participation was inaugurated in January, 1930, with most of the life insurance companies cooperating in an institutional advertising campaign. This year effort will be largely individual on the part of the companies although it is anticipated that many of the agency forces in the larger cities will cooperate.

Canada Life Prepares Plan

Canada Life has prepared a suggested draft plan of campaign which has been mailed to some 30 Canadian companies as well as to 250 companies in the United States. The response from U. S. firms has been very gratifying, according to officials of the company.

Under this Canada Life plan, which the company is following itself, each of its representatives is being asked to call on 12 persons, of whom six shall be policyholders and six shall be prospects. To aid the field force the company is sending letters to each of the persons on whom calls are to be made.

The Mutual Life is also sending letters to five prospects selected by each of its representatives who secured at least $50,000 of issued business during 1930. The Imperial Life has asked its field force to make double the number of calls on January 21 that would otherwise be made and other companies are also following a somewhat similar procedure.

Have Special Speakers

The field staffs have been urged to co-operate in the securing of speakers for meetings of the various service clubs. It is probable that a large number of these organizations will hear talks on life insurance during the week in which January 21 occurs. Ministers have also been asked to mention the value of life insurance in their sermons and have been provided with material.

Life Underwriters' Associations are being asked to co-operate in their own localities, and it is anticipated that a number of broadcasts will be made over Canadian radio stations, while numerous United States stations will carry talks on the benefit of various forms of thrift during the week. In 1930, several Canadian radio talks were given, including sermons.

Will Compile Results

Results of the campaign for 1930 from the standpoint of new business written are not available but a number of the companies are asking agents to make a report of the business secured this year in order that the effect of the campaign may be gauged. The result secured by one company, Manufacturers Life, in the 1930 campaign, as reported in the agency bulletin, was a volume of $1,193,483 of new business on a total of 542 applications secured by 312 agents. The average application amounted to $2,216 and the average premium to $29.60.

Need Further Aid

Those interested in this movement feel that if the financial institutions of Canada would act along the same lines followed by the United States organization, that the value of the campaign would be augmented. Through concentration on all forms of thrift the Canadian public would be brought to a point where individuals would make a conscious effort to inventory their financial position and to measure the progress toward a condition of financial independence.

Life insurance is an important form of thrift which is definitely allied with any plan of systematic saving and investment. Should Canadian banks, trust and loan companies and other financial institutions collaborate in a full week of effort to bring the value of thrift before the Canadian public, the results, it is felt, would be much more far-reaching than can be secured from but one day of effort by life insurance companies.

In the United States the advertising programmes of the banks and trust companies are linked with those of the life insurance companies in many instances. One notable example is the emphasis placed on the value of life insurance trusts through which the proceeds of a policy can be conserved by trust companies.

Some Canadian companies not in favor of the plan maintain that every day of the year should be life insurance day and that when effort is concentrated on any one day there is a tendency for agents to postpone or hold over business which could have been sent in earlier in order to make a good showing on the particular day that is singled out for additional effort. By many, this is not regarded as good practice while others can see no particular weakness in the plan since business cannot be held over for a long period. The North American Life has urged its agents to secure at least one application on Life Insurance Day, but has tied up the day's activities with a contest which is now under way.

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1928 - 204
1929 - 359
1930 - 608

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PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

ASSETS:
Reserves - - $36,372,031.45
Surplus - - 2,501,088.12

Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CANADA

FOSTER LAUDS SAFETY FEATURE OF A.A.A. BILL

Prophesying that, within three years, the principles of the safety responsibility bill of the American Automobile Association will have been embodied in the statute of most states and provinces in the United States and Canada, R. Leighton Foster, superintendent of insurance for Ontario, recently addressed New York State motor club executives on "Safety Features of the Safety Responsibility Bill." He also stated that in his belief, endorsation of the bill by 12 states and two provinces had sounded the death knell of universal compulsory automobile insurance on this continent.

Mr. Foster believes that the interim report on compulsory insurance and safety responsibility laws, presented in March, 1930, by an Ontario Royal Commission is one of the most striking tributes to the A. A A. bill coming, as it does, after an exhaustive study of the practice in Canada, United States, Great Britain and a number of European countries. The interim report condemned for use in Ontario all plans other than the safety responsibility plant of the association. Provisions of the bill were embodied in the Ontario Highway Traffic Act and came into force on September 1, 1930, Manitoba made the provisions effective on May 1, 1930.

The safety features of the safety responsibility bill according to Mr. Foster, are regarded as having met both popular and judicial favor, who said that furtherance of accident prevention should be the primary objective of motor vehicle traffic legislation and that the A. A. A. bill is primarily a safety measure since it imposes penalties on the reckless driver over and above penalties otherwise provided in the motor vehicles and criminal law. Responsibility provisions of the bill are secondary to the safety features and arise from the realization that accidents are bound to occur.

Mr. Foster remarked that Justice Hodgins' disapproval of the Massachusetts plant, the so-called compensation plan and the compulsory insurance sections of the English Road Traffic Bill was based chiefly on the absence of the safety features of the A. A. A. bill.

Assures Compensation

Justice Hodgins had considered the provision respecting unsatisfied judgments as vital to the whole scheme of the law and important as a safety measure. Its effect is to curb the reckless driver because of the realization that if a judgment cannot be met the driver will lose his license and possibly his means of livelihood. In addition, the payment of judgment provision is essential in assuring compensation. The provision is a powerful inducement to every motorist to insure voluntarily.

New Montreal Manager

F. W. TOFIELD

Appointed manager of the newly-opened office of the Chartered Trust & Executor Co. in Montreal.

AETNA STARTED MONTREAL AGENCY 110 YEARS AGO

Canadian History of Company Recounted in Outline

Activities of the Ætna Insurance Co. in Canada extend back to 1821 when the first agency was established in Montreal, two years after the company was founded. The company's bulletin "The Messenger" recently devoted several pages to a description of the company's Canadian agencies during the 110 years since the Montreal agency was first started.

It was the first United States company to enter the first insurance field in Canada, and second only to one other outside company. The first agent, Abijah Bigelow, was authorized to accept not more than $10,000 as any one risk. Supplies were taken from Hartford to Boston and from there to Montreal by stagecoach.

In 1829 the company expanded to the Maritime Provinces and started a Toronto agency in 1842. For many years the agencies in British Columbia, Alberta and Saskatchewan reported to the Pacific coast branch at San Francisco, while for a time the Winnipeg agency reported to Omaha, Neb. In 1921, the company started to write hail insurance and additions were made to the western staff.

While at the start, only fire lines were written, today the Ætna writes virtually all classes and, in combination with its casualty running mate, Century Indemnity Co., takes care of the all-cover policy for automobile needs giving its Canadian agents a service on all lines. The World Fire & Marine Insurance Co. was established in 1923 and commenced business in Canada during 1924 in Ontario and Quebec. Subsequently the World was established in the West. The Century Indemnity Co. entered Canada in 1929 and operates partly by general agencies in some provinces and direct in others.

Canadian Investments High

The investments of the Ætna and World are not alone those shown by the securities on deposit at Ottawa in the Government Blue Book, which amount to some $600,000 to $700,000. They also include investments to approximately the sum of $2,500,000. These funds have been invested in order that the company might more than keep pace with the growth of the agency plant and the increase in Canadian business and thus show its faith in the great and growing Dominion.

It is interesting to note that the premium income of the Ætna from Canadian agencies in proportion to the total income of the company amounts to 2½ per cent. On the other hand, the investments in Canadian securities approximate 4 per cent of the total assets of the company.

Some of the Canadian agencies look back upon many years. In Nova Scotia, for instance, the general agency firm of A. M. Jack & Son is now in its second generation of family connection with the company. At St. John, New Brunswick, E. Daryl Fairweather is the third of his line to represent the company. At Ottawa the agency of Chauncey T. Kirby & Son shows a continuity back to 1859. The Toronto agency, Wood & Kirkpatrick, dates back to the days when this agency collected the premiums, paid the losses and expenses from the same and remitted the difference to the home office. At the time of his death a few years ago, James Swift of Kingston, Ont., had represented the Ætna for an unbroken period of 66 years. The Kernahan & Graves, St. Catharines, agency dates back by continuity to previous to the confederation.

Other agencies which are of great continuous age with the company are W. S. Dresser & Co., of Sherbrooke; G. M. Gunn & Son of London, Ontario; Johnson-Jennings of Montreal; James F. Gillespie, Picton; Walker Insurance Agency, Walkerville; R. A. Reynolds & Son, Windsor; Williams, Rainey & Flynn, Winnipeg.

LIFE INSURANCE PROVES ITS WORTH IN BUSINESS SLUMP

Nearly $150,000,000 Borrowed on Policies in Eighteen Months

If anything were needed to prove the permanent worth of a life insurance policy, that something has undoubtedly been found in the stock market crash of 1929 and 1930 and in the generally depressed business conditions of the past year.

Following the market crash of 1929, Canadian life insurance companies were inundated with applications for policy loans by policyholders in the hope of saving their other investments, or to meet current needs due to the loss of these investments. The result, according to figures given by G. D. Finlayson, superintendent of insurance for Canada recently, was that there was an unprecedented increase in the amount of loans made in the last six months of 1929 of over $42,000,000 or 60 per cent in excess to the corresponding amount in 1928. This demand continued in 1930 when, during the first six months a slightly larger amount was advanced. It is also probable, according to Mr. Finlayson, that the figure for the last six months of 1930 will show an even more substantial increase over the figures for the corresponding period of 1929.

$150,000,000 in Loans

This means, that in an eighteen months period, approximately some $150,000,000 has been used by Canadian life insurance policyholders to bolster up their finances during a period of business depression or to meet losses incurred through the depreciation of less stable investments than life insurance.

It is to be hoped, of course, that this very important lesson of the past eighteen months, which must have demonstrated beyond all question the permanence and desirability of life insurance, will lead toward a realization on the part of those who borrow on their life insurance policies, to repay this mortgage on their detendents' protection, as soon as circumstances permit.

That this is already the case to some extent, is also indicated by figures supplied by Mr. Finlayson. He reports that the amount of loans repaid in cash without termination of the policy during the first six months of 1930 amounted to almost $13,000,000, as compared to $10,700,000 in the first six months of 1929, and to $6,500,000 in 1925. The ratio of cash repayment to new loans made in the first six months of 1925 is 34.7 per cent while the ratio in the first six months of 1930 was 30.3 per cent. The amount of loans repaid in cash before termination of the policy in the first six months of 1930 exceeded by exactly 100 per cent the amount in the corresponding period of 1925, a percentage fully consistent with the increase in the new policy loans made of 129 per cent and distinctly favorable when compared with the increase in loan repaid by surrenders of 63 per cent. During the same interval however, the loans repaid by deduction from death claims increased 187 per cent.

Halls Joins Great West Board

Frank E. Halls, has been elected to the directorate of the Great West Life Assurance Co. Mr. Halls is a member of the firm of Carter-Halls-Aldinger of Winnipeg and fills the vacancy on the board caused by the death of J. C. Gage.

Licenses Issued

DOMINION

New York Underwriters Insurance Co.—licensed to transact insurance against loss of or damage to personal property and insurance against loss or damage to property resulting from use and maintenance of aircraft in addition to classes for which it is already licensed.

American Alliance Insurance Co.—licensed to transact explosion, inland transportation, sprinkler leakage insurance, insurance against loss of, or damage to, property resulting from an earthquake and insurance against loss of, or damage to, personal property, in addition to the classes for which it is already licensed.

Home Fire and Marine Insurance Company of California has been authorized to transact fire, automobile, sprinkler leakage, tornado insurance, and insurance against damaged property of any kind caused by the explosion of natural or other gas. W. Rae Blight is chief Canadian agent.

Fireman's Fund Indemnity Company has been authorized to transact automobile insurance, excluding insurance against loss of or damage to an automobile by fire. W. Rae Blight, Toronto, has been appointed chief Canadian agent.

Fulton Fire Insurance Company has been authorized to transact, fire, sprinkler leakage, tornado insurance and insurance against damaged property of any kind, caused by the explosion of natural or other gas and insurance against loss of or damage to property other than growing crops, by hail. A. M. Stewart, Montreal, has been appointed chief Canadian agent.

The Dominion Superintendent of Insurance announces that the following companies have been licensed to insure against loss of damage to property other than growing crops, by hail, in addition to the classes for which they are already licensed:

Columbia Insurance Company.
Patriotic Assurance Company.
Planet Assurance Company.
Sun Insurance Office.

Insurance Inklings

Leading agents of the Travellers Insurance group of companies will hold their annual convention in 1931 at Chateau Frontenac, Quebec, during June.

CHARLES N. MACDONALD has been appointed Ontario manager for the Travellers Insurance Co. with headquarters in Toronto after four years as manager in Winnipeg. R. MURRAY MILLETT, formerly assistant manager, succeeds Mr. Macdonald as manager at Winnipeg.

R. C. BORLAND, formerly claims manager, has been appointed branch manager at Calgary for the General Accident Assurance Co. of Canada, succeeding J. G. BUTLER.

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE -- WINNIPEG
Assets Over $120.000.000
Insurance in force Over $600.000.000

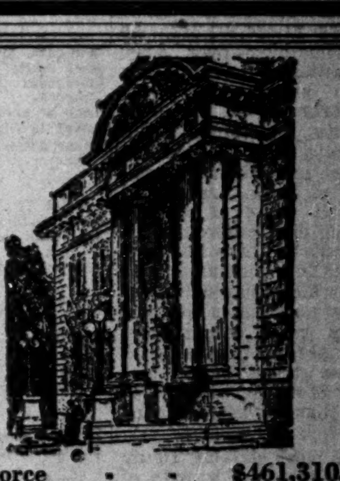
THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 59 Years in Business CANADA
Capital, $2,000,000 Reserve Fund, $2,000,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages, including building loans. Applications invited.
A. M. SMART, President. T. H. MAIN, Manager.

Operating in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
FIRE AUTOMOBILE WINDSTORM
Insurance in force $180,000,000.00
Assets over 2,700,000.00
Agents required in Ontario.
Write 410 Manning Chambers, Toronto.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

PRUDENTIAL
ASSURANCE COMPANY LIMITED, of LONDON, ENGLAND
ESTABLISHED 1848
Assets Exceed $1,000,000,000
Licensed For Life, Fire and Casualty Insurance
Investments in Canada exceed $35,000,000
Head Office for Canada—Dominion Square Building, Montreal
WESTERN BRANCH: Huron & Erie Building, Winnipeg

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,784,342.81
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown



Assurances in force - - $461,310,653
(Dec. 31st, 1929)
Total Assets - - - 107,408,986
Surplus Earnings (1929) - 5,043,035
Offices and Agents in all the principal cities and towns in Canada.
THE
MUTUAL LIFE OF CANADA
Head Office: WATERLOO, ONTARIO
Established 1869
R. O. McCULLOCH, President. W. H. SOMERVILLE, General Manager.

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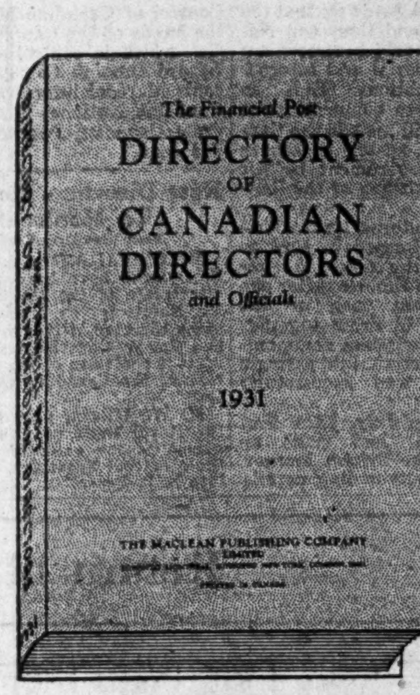
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1931
THE MACLEAN PUBLISHING COMPANY

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Current Events in Banking World

TRUST COMPANY SAVINGS DEPOSITS MAKE BIG GAIN

Banks Outstripped in Recent Years By Active Rivals

DO A BIG BUSINESS

Average Deposit is $500,000 While Average Bank Boasts Only $340,000

That a small but increasingly important stream of Canadian savings is finding its way to trust and loan companies rather than to Canadian banks is the conclusion gained from an analysis of the savings deposits of these three types of institutions which offer savings facilities to the public in Canada.

As yet the sum total of such savings amounts to only about 5 per cent of the total savings deposits (in Canada) of Canadian chartered banks. Furthermore it is doubtful if the comparative figures for loan and trust company deposits will ever loom near or over the billion dollar mark as do the bank deposits, due to the fact that most loan and trust companies are one-office institutions, while Canadian chartered banks have upwards of 4,200 branches scattered in every corner of the Dominion.

For purposes of comparison, the figures relating to trust and loan companies are those covering all companies registered in Ontario. This classification is taken in preference to dominion licensed institutions in order to include some of the leading concerns which have built up substantial savings business and which are not registered at Ottawa. The bank figures relate of course to Canadian chartered banks of which there are now 11 in operation.

Average Deposit Compared

In the first place it is found that as at December 31, 1929, the total savings deposits of Canadian chartered banks was $1,434,405,212. As there were something over 4,200 branches operating at that time this represents an average of about $340,000 per branch. On the other hand there were registered in Ontario at that date some 23 Canadian loan companies and 27 trust companies, with a total number of branches in all parts of Canada (after deducting duplications) of 82. The total deposits of these 132 trust and loan "outlets" amounted to $66,579,600 of which $35,186,232 was contributed by loan companies and $31,393,452 by trust corporations. The average savings deposits at each loan and trust outlet was therefore over $500,000, which is 47 per cent more than the average bank deposit.

Perhaps the most striking figure however is the record of growth of savings deposits in trust companies in the seven years for which records are available. Between 1923 and 1930, trust company deposits have exactly trebled while deposits of chartered banks increased only 21 per cent. The following table shows clearly the respective growth in the three types of institutions.

	Chartered Banks	Trust Co's	Loan Co's
1920 ..	$1,293,007,488	....	....
1921 ..	1,240,807,268	....	29,314,084
1922 ..	1,184,703,506	....	28,680,072
1923 ..	1,180,037,130	10,448,551	26,375,359
1924 ..	1,237,611,267	11,363,408	27,002,187
1925 ..	1,318,875,483	13,193,712	30,112,212
1926 ..	1,372,763,485	17,248,432	30,576,192
1927 ..	1,444,528,540	22,191,592	35,612,632
1928 ..	1,520,285,026	27,940,306	37,395,718
1929 ..	1,434,405,212	31,393,452	35,186,232

Another interesting point is that in 1929 when Canadian bank deposits actually declined $86,000,000, or 5 per cent, deposits in trust companies increased by $3,500,000 or 10 per cent. It will be interesting to see what progress has been made in 1930 when final figures are available.

Bank Chat

The Bank of Commerce announces the following:

A. W. GILL has been appointed acting manager at Bassano, Alta.

C. H. McMILLAN, manager at Bassano, has been appointed manager at Crossfield, Alta.

J. D. McKenzie, formerly at Tugaske, has been appointed manager at Moosomin, Sask.

P. S. BODDY has been appointed manager at a new branch which is being opened in the Medical Arts building, James and Young Sts., Hamilton.

Westmount Gets Authority To Issue $300,000 of Bonds

From Our Own Correspondent

MONTREAL.—Authorization to issue $300,000 of bonds in two blocks, one of $230,000 and another of $70,000, both at an interest rate of 4½ per cent, has been received by the city of Westmount. Proceeds from the sale of the bonds are to be devoted to general improvements in the city during the course of 1931.

The city council has also received the Quebec Government's approval of by-laws recently passed imposing municipal and school taxes for the current year. The total taxable valuation this year is estimated at $71,128,406. The municipal tax rate is $13 per $1,000 valuation; the Protestant school tax is [illegible] per $1,000 and the neutral panel tax is $12 per $1,000.

Weekly Bank Clearings

Eastern Cities

	Jan. 9, 1930	Jan. 8, 193
Halifax	$ 4,208,489	$ 4,[illegible]37,346
St. John	2,752,719	2,698,325
Moncton	1,203,878	1,007,616
Sherbrooke	1,053,750	864,955
Quebec	6,938,663	6,816,212
Ottawa	7,745,192	7,384,880
Montreal	127,128,8[illegible]8	132,053,699
Kingston	1,068,267	1,094,747
Peterboro	1,053,861	1,071,398
Toronto	13[illegible],110,869	133,132,263
Hamilton	8,540,898	6,653,205
Kitchener	1,380,913	1,583,38
Brantford	1,461,937	1,445,18
London	4,165,867	4,495,71
Chatham	974,257	1,045,27
Windsor	5,163,481	3,645,[illegible]2
Sarnia	961,463	971,2
Sudbury	1,465,312	847,4

Western Cities

	Jan. 9, 1930	Jan. 8, 193
Ft. William	$ 904,594	$ 864,6
Winnipeg	48,009,601	47,587,16
Brandon	579,270	561,35
Regina		5,507,96
Moose Jaw	1,448,219	1,342,59
Saskatoon	2,949,449	3,350,659
Prince Albert	521,968	528,642
Edmonton	6,66[illegible],561	528,642
Calgary	11,870,548	8,358,063
Medicine Hat	391,163	291,181
Lethbridge	730,089	482,732
Vancouver	23,083,938	20,941,870
Victoria	2,881,121	2,626,101
N. Westminster		827,930

Foreign Connections Aid In Improving Fall Credit

Upward Trend of Savings Deposits Continues in November and Financial Post Index of Credit Declines 2.3 Points to 69.7

A further substantial improvement in credit conditions, and the importance of the foreign business of Canadian chartered banks in this situation, are the chief feature of the November statement of Canadian chartered banks.

The figures show that savings deposits continued their upward climb, this being the third successive month to show an increase after the low point of August, 1930 which brought savings deposits in Canada down to the 1927 level and wiped out a gain of some $120,000,000 which had been achieved during 1928 and the early part of 1929. For November, savings deposits in Canada are higher by only $7,000,000 than in the preceding month. but deposits outside Canada show an increase of $35,000,000 or 9.3 per cent over the corresponding figure of the previous month. Against this, a decline of $15,800,000 in loans outside Canada is shown, which points to a substantial benefit to Canadian banks at the present time from their outside connection.

Credit Easing Continues

As to the condition of credit at the end of November, The Financial Post index of credit conditions in Canada in November, declined to 69.7 per cent as compared with 72 per cent the preceding month and 78 per cent the all-time high in the past seven years, reached in the early part of the year 1930.

This index of credit is the proportion which current and call loans in Canada, bear to the total of demand and savings deposits in Canada, and gives a ready but accurate barometer of the state of credit in the country at any particular time.

Comparing November figures with those for the preceding month, a substantial increase in current coin and Dominion notes held by the banks is recorded. The total increase on these two items alone is $54,000,000, which is reflected to a certain extent in a small increase in total assets, although the November, 1930, figure is still some $380,000,000 or more than 10 per cent below the corresponding total of assets in November, 1929.

The following is The Financial Post summary of the Canadian bank statement for November:

ASSETS

Immediately Available Liquid Resources

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Specie	98,372,427	69,909,253	+ 28,463,174	98,069,718	+ 302,709
Dom. notes	155,673,832	130,612,224	+ 25,061,608	160,497,488	— 4,823,656
Gold reserve	36,580,866	35,630,866	+ 950,000	56,630,866	— 20,050,000
Foreign banks	137,390,688	133,288,718	+ 4,101,970	94,028,539	+ 43,362,149
Foreign curr.	22,990,429	16,925,517	+ 6,064,912	22,160,008	+ 830,421
Gov't secs.	377,877,098	369,882,659	+ 7,994,439	337,614,674	+ 40,262,424
Call loans ab'd	193,491,067	164,721,836	+ 28,769,231	281,788,471	— 88,297,404
	1,022,376,407	920,971,073	+101,405,334	1,050,789,764	— 28,413,357

Loans and Securities Other Than Those of Canadian Government

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Public secs.	120,320,973	118,737,776	+ 1,583,197	90,703,211	+ 29,617,762
Rly. secs.	53,277,315	55,762,717	— 2,485,402	47,052,383	+ 6,224,932
Can. call loans	211,805,598	214,123,029	— 2,317,431	250,158,998	— 38,353,400
Current loans	1,183,723,359	1 229 508 736	— 45,785,377	1,443,075,155	—259,351,796
Loans ab'd	210,396,048	226,192,353	— 15,796,305	241,318,901	— 30,922,853
Prov. & mun. loans	123,274,311	113,827,018	+ 9,447,293	125,916,416	— 2,642,105
	1,902,797,604	1,958,151,629	— 55,354,025	2,198,225,064	—295,427,460

Other Assets

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Non-curr. loans	7,384,718	7,606,262	— 221,544	7,253,651	+ 131,067
Real estate	5,564,113	5,509,424	+ 54,689	5,252,145	+ 311,968
Mortgages	7,075,832	6,783,804	+ 292,028	7,623,443	— 547,611
Premises	78,620,365	78,713,907	— 93,542	75,662,787	+ 2,957,578
Lets. of credit	84,161,951	85,663,488	— 1,501,537	119,012,957	— 34,851,006
Loans to comp.	11,753,604	11,965,927	— 212,323	9,592,821	+ 2,160,783
Other assets	1,728,921	1,845,086	— 116,165	2,291,643	— 562,722
	196,289,504	198,087,898	— 1,798,394	226,689,447	— 30,399,943
Total	3,121,463,515	3,077,210,600	+ 44,252,915	3,475,704,275	—354,240,760
Note cir. dep.	6,790,678	6,790,678	....	6,365,724	+ 424,954
Int. bank bal.	126,413,553	158,834,746	— 32,421,193	151,885,583	— 25,472,030
Gross Assets	3,254,667,746	3,242,836,024	+ 11,831,722	3,633,955,582	—379,287,836

LIABILITIES

Liabilities to the Public

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Circulation	159,233,300	160,032,748	— 799,448	187,003,716	— 27,770,416
Dom. gov't	65,052,136	65,009,181	+ 42,955	71,228,131	— 6,175,995
Prov. gov't	21,364,721	37,855,109	— 16,490,388	22,684,946	— 1,320,225
Gov't advances	38,700,000	22,700,000	+ 16,000,000	111,400,000	— 72,700,000

Deposits by Public

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Demand dep.	604,828,099	632,566,667	— 27,738,568	728,877,158	—124,049,059
Savings dep.	1,438,611,843	1,431,864,326	+ 6,747,517	1,453,060,773	— 14,448,930
Total	2,043,439,942	2,064,430,993	— 20,991,051	2,181,937,931	—138,497,989
Foreign dep.	409,408,863	374,534,608	+ 34,874,255	453,597,816	— 44,188,953

Due to Banks Abroad, Etc.

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
United Kingdom	7,505,987	6,388,170	+ 1,117,817	34,501,510	— 26,995,523
Foreign	71,822,483	57,479,688	+ 14,342,795	100,986,426	— 29,163,943
Bills payable	12,012,896	13,371,763	— 1,358,867	13,315,412	— 1,302,516
Lets. of cred.	84,161,951	85,663,488	— 1,501,537	119,012,957	— 34,851,006
Other liab.	3,994,818	3,806,989	+ 187,829	4,564,646	— 569,828
Public liab.	2,916,697,097	2,891,272,737	+ 25,424,360	3,300,233,491	—383,536,394
Due bet. banks	13,483,660	17,366,213	— 3,882,553	13,462,854	+ 20,806

Liability to Shareholders

	Nov., 1930	Oct., 1930	Change	Nov., 1929	Change
Dividends	5,306,290	2,148,369	+ 3,157,921	5,282,899	+ 23,391
Reserve	161,177,418	161,135,992	+ 41,426	158,011,165	+ 3,166,253
Capital	144,976,172	144,948,555	+ 27,617	142,783,715	+ 2,192,457
Gross Liabilities	3,241,640,637	3,216,871,866	+ 24,768,771	3,619,774,124	—378,133,487

Seeks Participation In Communication Co.

From Our Own Correspondent

MONTREAL.—A proposal that the Canadian Pacific and Canadian National Railways should become partners with the Imperial and International Communications, Ltd., in forming a Canadian communication company, which will include the Canadian Marconi Co. system, has been put before the government by Sir Basil Blackett, chairman of the British merger.

Imperial and International Communications was formed in 1928 to bring together all the cable and wireless systems in the Empire under one control. The first task of the organization was to draw together all the cable and wireless communications in Great Britain into a single company which was successfully accomplished.

It was stated in July, 1930, that Canadian Marconi had made an agreement with the British Merger, subject to some outstanding details. Control of Canadian Marconi lies in the hands of the Canmar Investment Co., which is controlled as follows: Lazard Bros. & Co., London, 50 per cent; Marconi interests 10 per cent; Canadian National Railways, 20 per cent; Canadian Pacific Railway, 20 per cent.

New Directors Elected To Montreal Trust Co.

From Our Own Correspondent

MONTREAL.—John S. Norris and A. E. Dyment have been elected to the directorate of the Montreal Trust Co. Mr. Norris is vice-president and managing director of Montreal Light, Heat and Power, Consolidated, and Mr. Dyment is chairman of the board of directors of the Canadian General Electric Co.

M. W. Wilson, general manager of the Royal Bank of Canada, has been named to the executive committee of the Montreal Trust Co., succeeding the late E. L. Pease.

Four Additions to Directorates of Big Banks

Two newly appointed directors attended the annual general meeting of the Canadian Bank of Commerce at Toronto this week, which was held for the first time in the new head office building on King St. They were, H. R. MacMillan and Colonel Walter Gow, K.C. The appointments were announced at the beginning of the year.

COL. W. GOW H. R. MACMILLAN

Photo of Col. Gow by Ashley and Crippen, Toronto.

Mr. MacMillan is president and director of the H. R. MacMillan Export Company; president and director, Big Bay Lumber Company; regional director, London & Western Trust; director, British Columbia Packers Ltd.; director, Vancouver Creosoting Co.; director, Canadian White Pine Company. He was born in Newmarket and at one time was chief forester for British Columbia.

Walter Gow, K.C., is a partner of the Toronto firm of Blake, Lash, Anglin & Cassels. He is a director of the following companies: Brazilian Traction Light and Power Co.; Barcelona Traction Light and Power Co.; Rio de Janeiro Tramway Light and Power Co.; Sao Paulo Tramway Light and Power Co.; Mexico Tramways Co.; Mexican Light and Power Co.; Gaz Rio de Janeiro.

Royal Bank Changes

Additions were also announced to the directorate of the Royal Bank of Canada at the annual meeting held on January 8. The two new directors were His Honor Frank Stanfield, Lt.-Governor of Nova Scotia, and Morris W. Wilson, general manager of the bank.

HON. F. STANFIELD M. W. WILSON

These appointments will fill the vacancies created by the deaths of C. C. Blackadar of Halifax, and Edson L. Pease, vice-president of the bank, which occurred during the past year.

His Honor, Frank Stanfield, the newly appointed Lieutenant-Governor of Nova Scotia, has represented Colchester in the provincial legislature for a number of years. He is president of Stanfields, Limited, of Truro, woollen manufacturers, and has extensive business interests in the Maritime Provinces.

Morris W. Wilson, general manager of the bank, who now joins the board, has been in the service of the bank since 1897. He has held important positions in different parts of Canada and was appointed general manager in 1929.

BIRD'S-EYE VIEW OF WORLD FINANCE

Brief, Intimate Glances at Trend of Things Economic

Prepared weekly by the Bankers' Bond Company, Toronto

United States

The reduction of the re-discount rate of the New York Federal Reserve Bank from 2½% to 2% established a new low level for all times. This step is generally accepted as a direct measure for encouraging commercial expansion and, already, tangible good is being evinced. Improvement in the bond market is also expected while an expansion in new stock offerings is in the offing. Another valuable international aspect in this connection would be the conversion of foreign balances at present held in New York—thus paving the way for shipments of gold to other capital markets of the world where gold holdings are inadequate and in some cases below necessary requirements.

United Kingdom

The weekly statement of the Bank of England shows an increase in the reserves of £3,500,000 against a decrease in circulation of £5,250,000 Bullion holdings continue to show decreases and for the past week registered a drop of £1,750,000 most of which had been shipped to the Continent. Deposits show a very substantial decrease while the proportion of the Bank's reserves to liability has improved at 37¼% as compared with 22½% a week ago. The silver market in London has been subject to considerable liquidation owing to releases by Chinese interests. Values have declined sharply to another all time low of 28½c per fine ounce. Other metal markets were quietly steady, although lead suffered its third cut during the week, attaining a new low level of 4¾c per lb.

During the past five years United Kingdom's trade abroad has contracted to an extent which would almost suggest that the supremacy of British trade no longer exists. Statistics relating to the volume of international exports tell a rather sad story in this respect. The economic service of the League of Nations has compiled statistics to indicate that Britain's share of all imports in North America has fallen from 17% in 1913 to 10% in 1930; South America from 28% to 19%; Africa 37% to 31%; Asia 31½% to 19%; Oceania 53% to 44%. In Europe, however, her share in total imports has declined from 8¼% to 7¾%. Thus the source of her troubles cannot be sought in the Continent, but among those countries which have a "favorite" tariff policy. During the past two weeks, Great Britain has experienced a great deal of labor trouble and at present there are three industries at least whose workers are virtually "on strike."

General

The facts behind the Pyatiletka, or the Soviet Five-Year Plan brought to light recently reveal that this plan calls for tremendous expansion within a period which seems unfeasible because of the fact that Russia is at present suffering from a lack of adequate credit, and capable executives. The value of agricultural produce during 1927-1928 was 10,783 million rubles. Under this section Pyatiletka calls for an increase of 50% to 16,681 million rubles; the expansion in industrial enterprises is expected to exceed by 150% the 1927-1928 level; in commerce it is anticipated that the volume will be double that of 1927-1928 when it stood at 2,825 million rubles; construction schemes call for expenditure of over 4 billion rubles, while transportation developments in view would need over 1 billion rubles. The United States has hitherto lent itself considerably towards making the Five-Year plan a success by means of providing credit and key workers for the various developments. It is apparent that the policy of the Soviet Government is to tax its people's strength and nerves to the utmost while the needs of the citizens are subordinated entirely to the god of credit. It is interesting to note that so far an increase of 24% is shown or approximately 7% less than the control figures called for by the Five-Year plan. Whether this plan in its entirety could attain completion, is at present a matter of conjecture. The production goal is ever kept in the minds of the workers as the promised land from where milk and honey would flow freely and where the "Internationale" would reign supreme. Judging by some reports emanating from observers in that country the workers are generally conscripted and living in conditions bordering upon those governing the primitive races of the world.

Owing to the general financial stringency patent in Australia at present, drastic measures are to be adopted in order to seek correction for the ills inherited by the present system. The Banks of that Commonwealth after hurried conference have increased their bank rate to 15% putting money upon an almost prohibitive level. The effect of this will doubtless be far-reaching as it will result in a contraction of commercial loans which in turn will mean an increased unemployment roll. It is obvious however, that no panacea is obtainable by merely lifting the Bank rate for Australia's difficulties are due to the presence of a "union" system which practically dictates the policy of the government body. There is more need for house cleaning than window dressing.

The Chadbourne scheme for the world's curtailment of sugar production and segregation of surplus stocks at present looks as if it is doomed to failure. Powerful Dutch interests in the Java Sugar Trust are backing out of the plan, while Germany which has long enjoyed a tariff protected domestic market refuses to lend support to the scheme, for, being one of the large producers of beet sugar, she is most interested in the world's markets as a dumping ground. Adherence of other world exporters to a curtailment plan without German and Dutch interests is not probable, for it would result in a great fiasco as did the Stephenson scheme for rubber when also the Dutch interests put the quietus upon it.

It is now proposed that the projected air line between England and South Africa will be opened by midsummer. This new service raises the interesting question of its possibilities as a medium for the transport of gold insuring the continued importance of London as a principal world gold centre. At present gold is sent from the Rand to the Cape, and thence to England in 19 days. Should the air service be completed the time would be two-thirds. Moreover, another good which would result from this method of transportation would be to make Cairo a "re-shipment centre" for gold. When gold is brought to London, the Bank of England buys it without having any further expenses while a foreign buyer has to add the cost of transport, insurance, etc., to the purchase price. Should, on the other hand, gold be sold in Cairo, then the buyer, whether he be foreign or the Bank of England would have to pay expenses. In one way it would prove beneficial to other European nations for the time in transit could be reduced considerably and the cost incurred in its transportation would also be minimized.

Patent Office Reports Record Year of Activity

Business transacted by the Dominion commissioner of patents during the fiscal year ended March 31, 1930, exceeded that of any previous year. Applications for patents numbered 14,288, second only to 1925. Patents issued numbered 10,401 which has been exceeded only in 1921, 1923 and 1926, while assignments reached a new high of 9,505. The total number of transactions handled by the department was 71,387, an increase of 12 per cent over the 63,592 transactions handled in 1929.

The copyright and trade mark branch had a record year with 4,072 copyrights, 3,143 trade marks and 408 industrial designs registered. The total amount of fees received by the department was greater than in any preceding year at $574,918. Expenditure amounted to $235,906 leaving a surplus for the year of $339,011.

Increased activity in invention, noted during the past few years, was continued during the year with interest spread over the whole field of invention. The chemical and electrical fields are specially noted in the report of the commissioner which has just been issued.

A Corner Stone of the Community

THE Bank is indispensable to modern civilization. Its activities are bound up with the welfare of the community, to which it both gives and owes its life daily. It must be conservative, yet it must move to meet the times. It must fill worthily a position of honour, responsibility and trust.

You will like banking at the Royal

The Royal Bank of Canada

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ONTARIO
QUEBEC

A Useful Contact With the Mines

Banking relations with the mining area are greatly facilitated by the complete chain of branches established by this bank, at important centres in the mining country.

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IMPERIAL BANK OF CANADA
HEAD OFFICE — TORONTO
Capital and Reserve $15,000,000
Frank A. Rolph, President — Sir James Woods, Vice-President
A. E. Phipps, General Manager
210 BRANCHES THROUGHOUT CANADA

As a Confidential friend . . .

The family lawyer, the family physician of many years' standing, are people in whose judgment you place confidence, and who treat your affairs as a matter of confidence.

Your banker, too, is a professional man—a member of a profession that works as much as any other in the public interest, protecting the depositor against loss and employing his liquid surplus for the general advancement of the country.

Each member of the staff of The Canadian Bank of Commerce is bound by professional oath to treat your affairs confidentially.

Make use of his services, placing him on the same friendly professional footing as your family lawyer or physician.

THE CANADIAN BANK OF COMMERCE
Capital Paid Up - 30 Million Dollars
Reserve Fund - 30 Million Dollars

CAS 9

Return of the Chartered Banks of the Dominion of Canada, November 29, 1930

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	39,532,955	365,966	10,000,000	4,018,597	0,688,00	0,573,080	88,472,270	2,199,494	862,781	5,138,533	1,361,851	9,097,739	2,716,925	1,807,185	38,000,000	36,000,000	809,335,378	50,000,000	36,000,000	12	4,592,855	32,014,801	38,879,505	42,358,500
Nova Scotia	14,999,107	57,765	....	751,59	1,139,10	832,024	32,088,576	1,793,686	98,099	2,036,462	578,530	608,123	174,562	6,006	22,927,418	1,951,612	257,942,675	15,000,000	12,000,000	16	2,342,401	9,316,026	8,052,681	15,730,194
Toronto	7,539,424	04,314	....	995,503	1,159,60	763,567	....	300,502	205,581	831,515	393,385	481,883	303,243	240,758	9,000,000	,000,000	131,020,285	0,000,000	6,000,000	12	1,375,053	415,530	8,401,420	8,141,959
Provinciale	169,270	53,00	....	37,20	891,31	787,825	....	....	....	114,277	....	24,799	46,671	94,472	1,500,000	,000,000	52,018,845	5,000,000	,000,000	9	....	244,606	614,293	4,628,540
Commerce	9,174,441	17,581	,000,000	321,22	054,24	905,023	5,864,95	030,649	565,681	308,228	052,623	299,371	....	1,204,228	0,000,000	,000,000	36,601,254	0,000,000	0,000,000	12	8,056,291	11,480,000	33,332,000	31,184,770
Royal	5,730,121	31,582	000,000	770,20	187,18	886,292	9,263,795	155,670	384,001	045,969	589,618	299,506	248,333	1,768,131	,000,000	,000,000	35,810,413	0,000,000	,000,000	12	3,490,707	13,953,905	13,772,349	38,791,395
Dominion	5,889,29	76,71	000,000	533,57	034,212	326,952	2,446,796	447,231	411,694	348,155	36,889	838,960	487,293	1,488	,000,000	,000,000	29,179,266	0,000,000	,000,000	12	1,208,433	1,047,000	3,121,000	7,416,363
Nationale	0,735,98	39,93	....	381,756	239,290	873,634	1,272,468	851	42,910	787,499	....	612,979	....	178,591	,000,000	,000,000	47,065,902	0,000,000	,000,000	10	860,085	1,008,786	2,866,454	11,667,004
Imperial	880,265	73,26	000,000	035,617	112,144	371,971	....	585,435	209,222	615,713	....	781,692	....	3,776	,000,000	000,000	134,369,099	0,000,000	,000,000	12	267,487	951,499	3,629,737	9,345,170
Weyburn Security	373,085	151,66	00,000	15,444	853,186	1,567,412	....	....	....	27,411	....	....	....	1,655	250,000	524,560	5,464,424	1,000,000	655,700	5	37,772	23,248	43,082	458,115
Barclays (Canada)	209,350	30,343	....	....	469,815	724,063	....	70,142	626,018	568,721	....	116,899	17,743	....	500,000	500,000	3,833,096	500,000	500,000	......	10,000	10,980	100,275	215,115
Total	159,233,300	65,052,136	3,700,000	1,364,721	604,828,099	1,438,611,843	409,408,863	13,483,660	7,505,987	1,822,483	12,012,896	84,161,951	3,994,770	5,306,290	161,177,418	4,976,172	3,241,640,637	1,500,000	145,155,700	......	22,241,084	70,466,381	112,811,796	169,937,125

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Gove me secur	nadian icipal tish oreign rities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves * *	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
ontreal*	35,085,52	216,257	603,670	813,841	917,802	3,622	5,171,869	149,838	132,80	139,882	4,768,760	7,743,761	56,083,091	79,852,131	6,312,365	16,394,975	26,553,427	024,811	319,188	456,880	14,500,000	9,097,739	1,642,836	10,000,000	2,393,932	17,244	811,265,170
ova Scotia	9,335,81	722,027	132,666	677,00	594,634	.....	311,082	628,087	25,30	49,878	11,859,350	965,523	9,615,266	91,900,003	5,643,513	695,734	6,671,684	194,779	63,571	87,922	7,897,107	5,608,123	526,281	3,500,000	....	100,100	260,990,810
oronto	404,2	266,176	27,400	107,675	950,231		334,497	055,052	17,525	92,016	1,507,712	650,325	....	1,627,701	....	....	4,311,392	181,091	....	41,037	3,689,121	1,481,883	289,003	2,380,866	....	....	131,323,278
ovinciale	235,1	732,21	07,545	72,90	010,091	23,031	30,36	339,871	6,320	00,973	3,138,38	693,725	....	0,036,42	....	....	1,515,181	173,813	118,277	98,936	2,195,260	24,799	212,600	....	....	246,459	52,482,028
mmerce†	20,543,6	012,91	2,245	57,462	893,35	.....	629,21	025,161	0,736	76,708	1,342,23	560,523	748,195	1,718,81	963,031	738,235	153,626	017,515	323,760	72,681	5,163,802	299,371	50,000	10,000,000	4,099,355	329,706	687,117,605
yal‡	28,721,6	939,28	3,697	91,369	555,30	2,544	343,58	100,846	1,119	64,127	2,674,51	985,224	326,263	1,615,78	453,174	4,169,392	2,347,835	229,687	380,197	215,992	5,978,919	299,506	750,000	5,000,000	5,260,317	595,947	889,917,191
minion	1,018,71	011,30	9,705	91,779	039,557		163,69	130,227	14,271	46,082	2,377,363	800,113	2,218,252	5,921,30	931,126	....	1,753,354	152,475	45,809	16,549	206,006	838,960	345,000	300,000	....	179,888	130,558,476
tionale††	1,045,06	254,942	00,325	116,569	302,089	04,068	108,979	343,921	21,414,0	59,423	3,468,635	598,243	....	6,331,989	92,839	2,120,121	6,633,790	175,323	747,783	325,011	638,465	612,979	361,330	3,500,000	....	98,174	147,244,132
perial	946,97	523,095	96,440	154,328	372,533	627,960	295,381	265,319	17,233,5	00,090	2,104,182	587,911	1,500,000	5,294,671	....	500,000	6,291,526	142,269	117,377	535,296	003,490	781,692	374,490	1,900,000	....	120,044	135,458,578
ayburn Security	23,83	41,216	19,620	1,080	12,100	374,402	....	103,043	696,0	....	26,075	....	....	1,905,012	....	....	424,039	92,453	148,151	225,528	348,195	....	30,988	....	....	41,259	4,514,097
rclays (Canada)	11,49	54,376	19,070	3,412	29,232	1,841,556	48,380	412,259	455,4	01,794	10,100	215,250	....	468,489	....	....	....	502	....	....	....	116,899	8,150	....	....	....	3,796,381
Total	98,372,527	155,673,832	13,759,383	22,990,429	108,176,987	4,477,183	10,937,054	126,453,634	377,877,09	320,973	53,277,315	211,805,598	193,491,067	1,183,723,359	210,396,048	28,618,457	94,655,851	7,384,718	5,564,113	7,075,832	78,620,365	84,161,951	6,790,678	36,580,866	11,753,604	1,728,821	3,254,667,746

Column No. 26. Of this deposit $14,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†In addition to the business of its Agency in San Francisco, the figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been [illegible] under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

††The assets and liabilities of the Banque C [illegible] being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

QUICK ASSETS OF THE CANADIAN BANK OF COMMERCE $345,000,000 OR 55% OF PUBLIC LIABILITIES

One of the strongest statements the Bank has ever issued.

The President and General Manager deliver interesting and informative addresses to Annual Meeting of Shareholders. A wide range of Canadian interests are discussed.

Sir John Aird refers to the new Building, now complete—Reviews the Bank's Splendid Growth—the Causes and Effects of Depression—Gold—the Wheat Problem—Unemployment and Taxation.

Mr. S. H. Logan discusses the Bank's Statement and refers to the difficulties of business during 1930. Announces a programme of constructive projects in Canada in 1931 of over $300,000,000.

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the new Head Office Building in the City of Toronto on January 13th, 1931.

After the reading of the report, the General Manager, Mr. S. H. Logan, and the President, Sir John Aird, addressed the meeting.

THE GENERAL MANAGER REFERS TO THE BANK'S STRONG LIQUID POSITION

In the face of the prolonged and trying period through which general business has been passing, it is very gratifying to be able to place before you one of the strongest statements the bank has ever issued—in fact, one that shows an improvement over that of 1929, a year in which this continent experienced the greatest business activity in its history. In this statement, moreover, very liberal provision has been made for all bad and doubtful debts.

Our profit and loss account shows that we made $5,378,000, which is $312,000 in excess of the preceding year. It should, however, be pointed out that the proceeds of the shares of the new stock issued in 1929, which added $10,000,000 to the shareholders' funds, were earning assets for only a part of that year, whereas they were fully employed in 1930.

Changes in Assets and Liabilities

In comparison with the 1929 statement, note circulation is down approximately $6,000,000, a quite natural reflection of depressed business conditions. Interest-bearing deposits show a shrinkage of $23,000,000 and non-interest-bearing a decline of $10,000,000. Our savings deposits, included in those classified as interest-bearing, held up remarkably well, but it was to be expected in a year such as 1930 that commercial deposits would decline. The business community in general has been using its available funds to retire loans and other obligations, and the tendency has been to cut everything down as low as possible, with the result that current account balances with the banks have suffered.

Foreign Business

On 30th November, 1929, our deposits from foreign countries were abnormally high. We then had nearly $73,000,000 from foreign banking correspondents against $33,000,000 on the corresponding date in 1930, a drop for the year of $40,000,000. In explanation it is to be noted that in the Autumn of 1929 the whole world was sending money to New York, attracted by high interest rates on call loans. Early in 1930, when the rates in New York again became normal, foreign deposits naturally were called back to Europe and elsewhere where they could be used more profitably. Our borrowings under the Finance Act were reduced by $15,000,000, and letters of credit by $9,000,000, again reflecting lessened activity in business. Our liabilities to the shareholders show no material change, $201,990 being added both to capital and reserve account, rounding out the amount in each case to $30,000,000.

An Excellent Liquid Position

Our cash position is exceptionally strong. It will be noted that gold, silver and Dominion notes at $74,500,000 were only about $2,000,000 less than in 1929, when our liabilities to the public were considerably larger. Total cash assets, which include the foregoing, together with notes and cheques of other banks and balances with other banks, aggregated $126,000,000, representing over 20 per cent. of our total liabilities to the public.

Security Holdings Increased

We increased our security holdings during the year by $13,000,000 and these may be increased further, since there has been considerable liquidation in our loans, and, as you know, a bank employs part of its funds in times of easy money by purchasing high-class bonds, so placing it in a position, as business improves, again to respond to the increasing commercial requirements of its borrowing customers.

Call Loans Decline

Our call loans in Canada declined by $6,000,000 and call loans outside Canada by $25,000,000, the latter as a result of the withdrawal of foreign deposits previously mentioned. Our total quick assets of $345,000,000 amount to 55 per cent. of our liabilities to the public and 50 per cent. of all liabilities, a highly satisfactory liquid situation.

Current loans and discounts in Canada at $268,000,000 compare with $342,000,000 on 30th November, 1929, and those outside Canada, $25,000,000, compare with over $27,000,000 in the preceding year. In other words, there was a drop during the last fiscal year of $76,000,000 in our current loans and discounts, as might be expected in a period of business decline. No noteworthy changes have taken place in the other assets in our balance sheet.

General Business

When we met a year ago no one expected such a difficult year as has been experienced. We felt that we were due for a setback but, frankly, the liquidation and depreciation in the values of stocks, bonds and commodities, and the decrease in business activity throughout the world have been much more severe than was anticipated. The decline in business has been so persistent and the accompanying depression so pronounced that it is now obvious that we cannot hope to see a quick revival.

First Objective Price Stability

The first objective is stability in prices. The manufacturer can be expected to buy only from hand to mouth if he feels that a week later raw materials may take a further drop in price, thus giving his competitor, who defers his purchases, an advantage. The farmer cannot be expected to buy in normal quantities if there is much uncertainty about the price he is likely to receive for his produce. Similarly, the wage-earner purchases none but the mere essentials as long as he feels uncertain about the maintenance of his wages. Until we arrive at a period of stability there must of necessity be under-consumption, and that handicap will continue in a period of low purchasing power.

Upward Progress Likely Slow

There is a general impression that we must be at, or near, the bottom of this depression, but when the turn comes, it is apt to come without advance notice, and progress on the upturn may be comparatively slow. But recognition of unpleasant developments should not blind us to certain facts that stand out prominently in a close examination of Canadian business, one of which is that Canada has not lost ground all along her economic front.

Expenditures for Development

In addressing you a year ago I gave the results of a nation-wide survey of projected development, the total expenditure for which was estimated at about 500 million dollars. Enquiry has shown that the greater part of this program was carried out, the expenditures of the more important classes being as follow: electric power development, including the extension of transmission facilities, 90 million dollars; public works, including transportation, 220 million dollars; and expansion of industry and mining, 110 million dollars. If it be said that the new and additional facilities emerging from such large expenditures cannot be fully employed at present, it can also be stated with equal force that those responsible for the projects lent considerable strength to business during the year, and fitted into our economic system new units that are productive of wealth.

Faith in Canada

These projects, too, are, as a whole, a practical demonstration of faith in the future of Canada, as well as conclusive evidence that the past year has not been altogether barren of enterprise and progress. Naturally current conditions tend to slow down new development, yet according to a fresh survey made by the Bank there is still sufficient incentive and constructive energy to provide a program for 1931 involving an estimated expenditure of about 325 million dollars.

The Record of Production

In the midst of an economic and political upheaval throughout the world all nations toegther feel adversity, just as in prosperous times they share each other's good fortune. But when the results of the present period are fully analyzed it will be found that some countries have suffered less severely than others, and Canada will be classified in the more fortunate group. The support for such a statement can be found in world production and trade reports.

Agriculture

Drought in certain sections and low prices generally have inflicted hardships upon many of our farmers, but the crop yields were superior to those of 1929, and better relatively than in some other large agricultural areas. The present scale of prices is not of course local but world-wide. Our principal exportable farm product, wheat, is the one commodity that is being sold on the international market in greater volume this year than last, and Canadian wheat has continued to form the largest part of world exports.

Mining and Industry

The records for mining and industry are encouraging. The outstanding features of mining are the greatly strengthened position of the gold mining industry, which now produces at the rate of $43,000,000 annually, and the approaching completion of metallurgical plants which, consequent upon prospecting and development that was on a sound basis, has placed Canada in the front rank of the small number of producers of smelted and refined metals. Taking copper, for example, there will shortly be a refining capacity of 200,000 tons per annum, about twice the mine production in 1928, which was sold mainly in crude form. While non-metallic mines were operated during 1930 at a lower rate than in the preceding year, the non-ferrous base metal properties as a group, though now less active than a few months ago, have the unique record of producing in excess of 1929.

Manufacturing Equals 1927

There is considerable unevenness in Canadian manufacturing, but the general results are equal to those of 1927, which was regarded as a favorable year, while world industry has operated at about the 1925 level. Unfortunately our lumber industry is at the lowest ebb in many years, partly the result of acute competition in overseas markets, and partly owing to a decline in building on this continent of about 20 per cent. The Canadian fisheries have also felt the effects of weak foreign markets and burdensome inventories, but in one important section, the British Columbia salmon grounds, the past year was a most profitable one to the fishermen.

Changed Conditions

In recent years we enjoyed such prosperity that it is difficult to accustom ourselves to changed conditions and to the prospect that we may not witness for some time restoration of all the elements of prosperity. But Canada was in the van of world progress from 1925 to 1929, and despite a material setback in 1930, is strongly fortified against the strain of transitional influences, the immediate outcome of which cannot be clearly seen, but which in the end will release forces that will again carry us far along the highway of prosperity.

More Stable Conditions Expected

In the meantime, let it be borne in mind that many of our problems can undoubtedly be solved by hard work and the application of sound business methods and principles.

At this moment no one can with any certainty make definite prediction of the course of business during the present year, but it is my belief that when we next meet, early in 1932, it will be in an atmosphere of more stable and satisfactory conditions.

The President,
SIR JOHN AIRD,
Discusses Canadian and World Business.

I found it necessary, to my regret, to be absent from our last meeting on a journey that had for its first purpose attendance at the Conference of the Institute of Pacific Relations in Japan. In addressing you to-day, I again follow the custom of my predecessor, the late Sir Edmund Walker, who nearly fifty years ago initiated the practice in Canada of bankers giving, on occasions such as this, their views on important economic developments.

The New Head Office Building

One may regard this building as a massive structure representative, as far as possible, of the best in Canadian design, skill and material, and of course we have spared no effort to make it such. But taking for my cue the experience of the General Manager, who performed his first administrative duties for the Bank in a tent set up in the woods of Northern Ontario, I should like to point out that the new Head Office building is typical of what may spring from small beginnings in a land of opportunity such as Canada. On this site there stood more than a century ago a small church in a community of about one thousand people and a few hundred buildings. In 1890 the Head Office and the Toronto branch of the Bank were established in the first building the Bank erected on this site.

The Bank's Growth

The Bank, then twenty-three years old, had a capital of six million dollars, a reserve fund of eight hundred thousand dollars and total assets of twenty-two million dollars for the use of its Head Office and about forty branches. To-day capital and reserve funds of sixty million dollars and assets of nearly seven hundred million dollars are employed throughout the Head Office and about eight hundred branches in a banking service of world-wide character. Some of the strong links in this chain were forged through amalgamations between the Bank and other institutions, commencing with the Gore Bank, Hamilton, and followed in turn by The Bank of British Columbia, the Halifax Banking Company, the Merchants Bank of Prince Edward Island, the Eastern Townships Bank, the Bank of Hamilton, and The Standard Bank of Canada, the latter being a consolidation of the St. Lawrence Bank, the Western Bank and the Sterling Bank. The total assets contributed by these amalgamations were two hundred and twelve million dollars, The Canadian Bank of Commerce issuing new stock of nearly sixteen million dollars and paying about a million dollars in cash to consummate the mergers.

In Support of Trade and Industry

We take pride in these associations of national character, believing that the stockholders and customers of the amalgamated institutions have shared fully in the ever-increasing strength and service of The Canadian Bank of Commerce. The Bank also claims a close kinship with the Dominion of Canada, for this institution was founded on the eve of Confederation. I may say that the Bank adheres to the policy of its founders, namely: "We do not oppose anyone, all we seek is the good of the country. Our policy is to benefit our respective localities by employing our own and the floating capital under our control, in support of the trade and industry of the place."

Causes and Effects of Depression

No one needs to be told that the world is in the throes of a business depression. There is nothing strange or new about this condition, for there is no record of prosperity lasting longer than six years. This depression is severe, but there is no great mass of frozen capital as in 1857, no exhaustion of bank credit as in 1893, no emergency currency, such as the clearing-house certificates issued in the United States in 1907, and, if Russia be excepted, government printing presses have not, as was the case in certain European countries just after the Great War, been worked overtime to issue worthless paper money.

No Panic in Canada

So fortunately, we have been spared a financial crisis such as attended former major depressions, although this element has appeared in some sections of the United States, but happily seems to have been eliminated throughout the greater part of the country by the operation of the Federal Reserve System. In the case of Canada, the National Bureau of Economic Research in New York found after an exhaustive examination that this country has had few panics in its commercial history, which speaks well for its banking system.

Trade Barriers

The present economic troubles appeared on the surface in the summer of 1929, but the causes are of earlier origin. No single factor can be said to have been solely responsible, for there was a combination of developments, the entire series of which is too lengthy to be discussed within the compass of this address, but some warrent more attention than has been given to them, for until their effects have worn off business may continue difficult. One is a legacy of the Great War, in the form of additional trade barriers, commencing with new tariffs in Eastern Europe and extending latterly to Western Europe and to North America.

The Stream of Capital

Shortly after the Great War the United States passed on to other countries the benefits of her own initiative, enterprise and inventive genius, and capital to the extent of about ten billion dollars. Such a capital movement as this, unprecedented in any like period, was a major influence in regenerating the forces of world business. Late in 1928 there was a reversal of the stream of capital which had been flowing from the United States. Foreign loan issues in the United States declined, and money began to be poured into that country from other parts of the world, finding its way, not into productive, but into speculative channels. What an extraordinary development—in effect, the world's creditor borrowing from its debtors!—although it should be noted that the United States did not ask for this money.

Production and Consumption

The increase in capacity for production during the last period of prosperity outstripped that in world population. Between 1926 and 1928 there was an increase of 2 per cent. in population, of 8 per cent. in food production and of 11 per cent. in raw materials. At the same time nearly half of the world's population—that of India, China and Russia—was consuming even less per head than before the war.

Decline of Prices

In consequence, prices for such staple commodities as wheat, sugar, coffee, rubber and copper have declined below the general cost of production, a situation that calls for greater productive efficiency on the one hand, and on the other, consideration by the buyer of the fact that if producers' prices continue for long at unremunerative levels the volume of commodities will be so curtailed as to cause a shortage. As side issues to the question of demand for and prices of commodities there are, first, an accumulation of unpaid-for goods, acquired through instalment buying, that presses upon a smaller purchasing power, and, secondly, the practice of unnecessary economy on the part of people whose income has undergone little, if any, contraction.

Foreign Trade

The developments just described, as well as others peculiar to Canada, are reflected in our foreign trade returns for the twelve months ending 30th September last, the Canadian "export" year, the unfavorable "visible" balance at that date being 99 million dollars as against 31 million on the corresponding date in 1929. The following analysis is, because of extreme price fluctuations, on a quantitative basis.

Exports and Imports

The volume of total exports declined 21 per cent. and that of total imports 11 per cent. Our exports of grains show up poorly, those of wheat and flour having been reduced by 40 per cent., those of oats by 80 per cent. and those of barley by 90 per cent. The downward trend in shipments of dairy products, live stock and meats which set in a few years ago continued to the point where Canada might be regarded as having withdrawn from foreign trade in these products, except in fresh milk and cheese, not only because of curtailed production, but also because of a greatly increased domestic demand following a remarkable growth in tourist trade. Other important farm products, fruits and vegetables, were sold abroad in larger quantities. Exports of fish, fresh and processed, were somewhat smaller, as also were those of furs. It is satisfactory, however, to note comparatively stable sales of forest products, including paper; of manufactures, except automobiles and farm implements; and an increase in metallic minerals, such as copper and zinc, the latter more than offsetting a reduction in the non-metallic items, principally coal, asbestos and cement.

Canada's Purchases

The import returns show that while Canada's purchases of necessary foreign products such as cotton, rubber, wool, and iron were sharply curtailed, she did not deny herself much in the way of certain other commodities, some of which, including tropical fruits, out-of-season vegetables, confectionery, magazines and moving picture films, might under existing conditions be classed as luxuries; in fact, importations of the last five commodities, as well as of butter, preserved fruits and vegetables, coal, petroleum oils, sugar, coffee and printing paper, were greater than in the year ending 30th September, 1929.

Unemployment

In addition to the displacement of workers by machinery, we now have people forced into idleness by economic deterioration. The shock is cushioned by the splendid efforts of employers, governments and individuals to afford relief in various ways, but such measures are not altogether curative. Unemployment insurance is regarded by some authorities as the remedy. Others advocate a five-day week or a five-hour day, measures adopted in recent years by some employers, though not with uniform results. We should give careful consideration to anything that might improve labor conditions, but there is no convincing proof that unemployment insurance or shortened time provide a solution.

Planning Against Unemployment

We can, however, plan immediately to guide the worker displaced by machinery to new avenues of employment by consolidating the activities of government employment offices, and to guard against another wave of extensive unemployment by timing public works to periods of depression, bearing in mind the fact that prosperity has in the past never lasted longer than six years. As to our ability to provide a large field of employment in normal times, we need only consider that we have found in our immense water power resources one of the bases of industrial greatness, and that the volume of manufactures in 1929 was nearly two-thirds more than in 1924, this expansion being responsible for the addition of about 200,000 employes and approximately 250 million dollars to industrial pay-rolls.

Wheat Problem

I wish to add some facts to the flood of discussion on the wheat problem in the hope that it be moved from the shade of personal opinion and one-sided views into the light of common interest and correct understanding. This problem is not one only of domestic origin or concern, nor one affecting only the producer. The popular thought is that the whole trouble is the result of over-production and of mistakes in marketing policies, but that is only partly true. There has been maladjusted production as well as over-production.

Increased Wheat Acreage

Between 1925 and 1929 the United States, the most favourably situated corn-growing country, curtailed its corn acreage by over 3 million acres and increased its wheat area by about the same figure. Australia has added approximately 8 million acres to her wheat area since 1925, all to grow a product, that, while of excellent quality, is not one in strong demand by European millers. Argentina has increased her acreage by about 2 million acres. Canada, with many natural advantages over its competitors in wheat-growing, had an increase of only about 4 million acres.

Abnormal Yields

Just about the time, 1927, that Europe was approaching pre-war production of grains, the world harvested a better than average crop, in 1928 there was a bumper world crop and in 1929 the outturn in the European importing countries was the highest since the war—all unusual events due as much to abnormal yields as to greater acreage. In the spring and early summer of 1929 European importers made large purchases of foreign wheat, for one reason, in anticipation of new duties, and, as it turned out, they covered part of their next year's requirements.

Western Canada—The Oriental Market

In speaking of Western Canada I do so from experience dating back to the early eighties. The country had then commenced to recover from the depression of 1878, and I was deputed to watch on behalf of the Bank the development of that part of the Dominion. On the completion of the Canadian Pacific Railway in 1885 there was a considerable influx of new settlers and between that time and 1914 upwards of two million had entered the four Western Provinces.

Previous Depressions

But there were depressions in 1887, 1893, 1907, the early war period and the post-war period of 1921-24. The depression of 1907 was caused by a shortage of actual money, particularly in the United States, which had not then the facilities of the Federal Reserve Bank, or Canada the advantages of our Finance Act of 1914. The country recovered from these depressions, but not without considerable cost, particularly during the depression of 1921-24, which was the result mainly of an unfortunate policy of encouraging the western farmer to buy land at high prices on the assumption that there would be a great demand for food-stuffs and raw materials for the supply and reconstruction of the devastated districts of Europe.

Remedies Reviewed

As we know, Western Canada enjoyed its greatest prosperity from 1925 until the summer of 1929, but is now under severe strain. I will explain the remedies for the present unfortunate situation as I see them.

A readjustment of wheat acreage is already under way in the United States. The inflexible law of supply and demand will operate in Australia and Argentina, although the reversion of ploughed fields to range land is usually a slow process, as is that of wheat-growing to mixed farming, contrasted with the comparatively quick change that can be made from stock-raising to cereal production, namely, in the course of a single year. Russia, which has been characterized recently by a leading writer as "The Ghost in the Wheat Market," having taken her first big stride in the wheat export market since pre-war days, will in my opinion press forward in the field through the mobilization of her peasants, and within a year or two again be an important factor in supplying Europe, not only with wheat, but with immense quantities of coarse grains and other commodities.

Production in the Orient

From personal observation consequent upon my tour of the Orient, in 1929, and from information furnished by Anglo-Saxons who have a life-long knowledge of Asiatic conditions, I believe that Manchuria and Northern China will become the major sources of supply of foreign wheat and other foods for Japan and adjacent countries of the Orient. Production of wheat and other cereals, and of soya beans for human and animal foods, as well as for industrial purposes, has been expanding in Manchuria and Northern China, countries of rich land and cheap labor, at a rate that we probably have not realized.

Japan Industrially Progressive

Japan is a very progressive country and her industrial record in the last two decades is one of the most outstanding in economic history. She imports great quantities of raw cotton from the British East Indies, China and Australia, and converts it into finished goods for foreign countries. It may not be generally known that one of the chief causes of the depression in the British cotton industry is the growth of cotton manufacturing in Japan, which has led to the capture of the East Indian and Oriental cotton-goods market from British manufacturers, as may be judged from the value, 173 million dollars, of Japan's total exports of this merchandise in 1928, of which between 60 and 70 millions represented sales to British possessions.

Meeting Her Domestic Requirements

Japan is now also engaged in further developing hydro-electric power, already extensive, in increasing her domestic supply of dairy products and meats, and in building up a great woollen industry, her prospective markets for the latter being the United States and Canada, and even Australia and New Zealand, from which the necessary raw wool will be secured. While Japan lacks many of the raw materials that she requires, she can rely upon Korea, China and Manchuria for these, and undoubtedly looks to the two latter countries for a large part of her increasing food imports. Therefore, I am of the conviction that Western Canada will find that the Oriental market for its products will be largely curtailed, and that our western agriculturalists should consider immediately the question of diversified farming.

Further Reasons for Diversification

If the foregoing is not sufficient to show the futility of attempting to fix the price of wheat and the wisdom of limiting the acreage in wheat in Canada and in other exporting countries and encouraging more diversified farming practice in our Prairie Provinces, I can give other reasons. There are two striking features about wheat that distinguish it from other products which flow in great volume into world trade channels. Its domain is almost the entire land surface of the globe, and several of the largest importing countries are themselves large producers.

Variations in Climate

Without detracting from Canada's great advantages for wheat-growing, it may be noted that she has one marked disadvantage, namely a climate that causes more extreme variations in annual yields than in any other large exporting country, except Australia. The possibilities of diversified farming, so far as surrounding conditions permit, cannot be better exemplified than by what has taken place in the State of Minnesota. That State has shifted from cereal crops to highly diversified production, as may be seen from the following values placed in 1929 on some of her farm products: buckwheat, clover, etc., 39 million dollars; beef cattle, 49 million dollars; creamery butter, 125 million dollars; potatoes, 19 million dollars; eggs and poultry, 40 million dollars; hay, 60 million dollars; hogs, 95 million dollars; and spring wheat, 19 million dollars.

To Procure Adequate Returns

When our prairie farmer has, through all the diversification possible, again placed himself on solid ground, it is to be hoped that he will continue permanently on that basis keeping always in view the necessity for cultural methods that maintain, even improve, the yield per acre and the quality of his crops, from which system follow adequate financial returns per acre.

Signs of Recovery

Among the most hopeful signs pointing the way to world economic recovery is a series of conferences now in progress by financial and business leaders who have for their object the removal, or at least the easing, of some of the burdens that weigh down world business. The principal subjects for discussion are international debts, reparation payments and the gold supply and its control.

War Debts

As far as that part of international debts arising from the Great War is concerned, the most effective readjustment of all, one that would serve the two-fold purpose of ensuring repayment of at least a substantial part of war debts and of raising the purchasing power of Europe, would be a change in the attitude of the United States towards her debtors, by allowing them to pay what they owe by means of the exports which are now shut out by the American tariff wall.

Fluctuations in Gold Dollar

The gold standard is the most suitable monetary standard that the world has yet found, but it is capable of improvement in control, for which statement there is no better proof than the fact that in the first 20 years of this century the purchasing power of the gold dollar fell 70 per cent., and in the following seven or eight years rose over 50 per cent. These extreme fluctuations were due to the supply, demand and use of gold. The present position is, contrary to any opposite belief, that there is an adequate gold reserve for monetary purposes, amounting in all to more than 11 billion dollars. This stock is sufficient to meet the average legal reserve requirements of the world's banks of issue and to provide a reasonable margin above these requirements. But some countries have a surplus and others a deficit.

Economy in Use of Gold

During the last decade the world has learned how to use its gold stock more effectively, in one way, by withdrawing gold coin from circulation, yet there has been a concentration of unnecessary gold in certain countries which has all the earmarks of a financial "gold rush," with no appreciable results other than those attending added prestige. There is, of course, room for further economy in the use of this metal, particularly by greater employment of cheques, which would result from the abolition of stamp taxes, and in the substitution of metal coin, principally silver, for paper money of small denominations. The existing legal reserve requirements could be safely reduced.

Stimulate Prospecting for Gold

The Bank of International Settlements, whose operations are limited to dealings with or through central banks, could be made a holding agency for the world's entire supply of monetary gold, each country being credited with sufficient to support a sound financial structure. Thus, a redistribution of gold would be accomplished, and there would be no further costly physical movements. All these measures are dependent upon international concord, and none should be put into practice hurriedly. To prevent a decline in gold production international action could be taken to stimulate, by subsidies, prospecting for gold, and for research in metallurgy with a view to reducing milling costs and, as was the case in copper mining, to introduce some new form of ore treatment which would make available for mining fairly large known deposits of low-grade ores. This proposal is made, not because Canada is regarded as the most likely country for the discovery of new mines, but because the need for new supplies is too urgent to leave to casual prospecting, or to the accidental discovery of some revolutionary metallurgical method.

Need for Redistribution of Population

The world in its efforts gradually to lift trade and commerce to a higher plane now frankly discusses in international conferences many of its problems, but continues to deal with one of the most serious—density of population in Europe—in a haphazard manner. On one side we see some over-populated countries prohibiting or discouraging the migration of their nationals, and others supporting surplus populations at great expense to their taxpayers. On the opposite side there are countries that check not only the movement of new people to their shores, but exercise restraint upon the development of their own resources.

Attitude Toward Immigration

It is to be hoped that with the return of normal economic conditions, Canada will detach herself from the latter class. I am aware of the belief in some quarters that this country does not need any greater increase in its population than is now recorded, which I may say is at a lower rate than that of other so-called new countries, Australia, for example. I also acknowledge the opinion of some people that Canada should not willingly absorb any but the British or kindred races. The first-mentioned argument pre-supposes that the development of Canada need not proceed at a faster pace than in the past. The answer to this point of view is that, while Nature in one of her generous moods endowed this country with the resources of a continent, she also made other parts of the world productive of wealth.

A British Strain

If, therefore, we are satisfied with the present growth of our population we must accept with the best possible grace equality in progress with other countries, which, while having great latent productive power, are not to be compared with Canada as a source of many of the world's essential requirements. As to the question of whether we should choose only British or kindred people, I might ask, without hope of a clear-cut, affirmative answer, if the population of any major nation, even Great Britain, is of racial origin. We should, of course, reserve the right to accept people who are suited physically and mentally to the life of Canada. Nationality is by no means the best test, for, while we should endeavor to maintain a preponderant British strain in our population, superior types of immigrants are available in most countries, particularly those of Northern and Western Europe.

Taxation

Times like the present impose upon governments the task of raising more money, not only to meet emergency calls for relief, but also to balance budget deficits which follow in the train of a business depression. Without entrenching on political questions one may venture to bespeak for consideration by our governments the need for economy in any possible direction, and the removal once and for all of inequalities in taxation, such as the "nuisance" and double taxes that remain in our present system. I again earnestly urge the method of taxation suggested by this bank in former years, namely, that based on the turnover of commodities moved into consumption channels, by which the Dominion Government could spread taxation as evenly as possible and pay its way as it goes along without oppressing any one class of people.

Special Forms of Taxation

Special forms of taxation could be provided for those individuals, concerns and institutions whose business it is to sell services instead of commodities. The scale of this taxation could be graduated in two ways, first, by setting different rates on various groups of commodities (that on necessities being lower than that on luxuries), and, secondly, by adjusting the rates from time to time, even from month to month, to the financial needs of the government.

Recovery Is Certain

It is impossible to escape the conclusion that we cannot take a flying leap from depression to prosperity. But we have passed through more than a year of depression, so are that much nearer its end, and as economic life is ever in a plastic state recuperative forces are at work. Recovery is certain. The time required to bring it about will be determined largely by our resourcefulness and ingenuity. It is necessary that we work harder, reduce production costs so as to establish an intimate relationship between producers' and consumers' prices, particularly as affecting the farmer, and generally display the same high courage that in the past helped us to overcome depression. Let us throw off our fears and turn our minds resolutely to clearing the way to prosperity in a country that is one of the most fertile in opportunity for progress.

The following were re-elected as Directors of the Bank: Sir John Aird, G. W. Allan, K.C., H. S. Ambrose, A. R. Auld, J. P. Bickell, C. N. Candee, Chas. W. Colby, Ph.D., LL.D., F. W. Cowan, H. C. Cox, G. C. Edwards, Sir Joseph Flavelle, Bart., LL.D., H. J. Fuller, W. K. George, Colonel Walter Gow, K.C., W. H. Hutchison, F. P. Jones, A. M. M. Kirkpatrick, Miller Lash, K.C., S. H. Logan, Sir Alexander Mackenzie, K.B.E., H. R. MacMillan, J. S. McLean, G. A. Morrow, W. E. Phin, I. Pitblado, K.C., LL.D., Hon. Donat Raymond, J. A. Richardson, LL.D., W. P. Riley, T. A. Russell, LL.D., The Rt. Hon. Lord Shaughnessy, K.C., H. R. Silver, John Stuart, A. F. White, The Rt. Hon. Sir Thomas White, K.C.M.G., E. R. Wood, LL.D., T. H. Wood, A. V. Young.

At a subsequent meeting of the Directors Sir John Aird was elected President, Sir Joseph Flavelle, Bart., Chairman of the Board, and the Right Hon. Sir Thomas White, K.C.M.G., Mr. E. R. Wood and Mr. A. F. White, Vice-Presidents.

The Standing Committee elected for the coming year is as follows: Sir John Aird, Sir Joseph Flavelle, Bart., the Rt. Hon. Sir Thomas White, K.C.M.G., Mr. E. R. Wood, Mr. A. F. White, Mr. S. H. Logan and Mr. Miller Lash, K.C.

ACME GLOVE CO. DEFERS DIVIDENDS ON JUNIOR STOCK

Second Preferred Payment Requires $18,000 Per Annum

From Our Own Correspondent

MONTREAL.—Dividends on the second preferred stock of Acme Glove Works have been omitted. The stock, which has a par value of $50, is entitled to non-cumulative dividends at the rate of 6 per cent. The shares, which carry two votes per share, are closely held. Payments on the 6½ per cent first preferred are being maintained.

Acme Glove Works manufactures, in addition to fine leather gloves, a wide diversification of work gloves and mitts, shoe packs, wool socks and mackinaw clothing. A large portion of sales is made among working men and it may be expected that current conditions in employment have found a reflection in lower sales for the company.

Apparent Last Year

This condition had become apparent in the last annual report covering 1929. It was stated that adverse conditions in Western Canada and also in certain sections of Quebec and Ontario, owing to the slowing down in pulp and paper operations, had affected sales to an extent of more than 10 per cent.

Earnings in 1929 were equal to $6.83 a share on the first preferred and $8.94 a share on the second preferred stock. The common shares earned $2.38 a share. Indications are that profits for 1930 will fall below these figures.

The company operates four plants in Quebec and maintains sample rooms in principal cities throughout Canada. Public investment interest is confined to an issue of $750,000 of first preferred and 15,000 shares of no par value B stock. These securities were offered in units of one preferred and half a share of common at $65 a unit in 1929.

GEOLOGY CLASSES WELL ATTENDED

Ontario Department Establishes Toronto Course in Prospecting

The Ontario Department of Mines has extended its course of lectures to prospectors, conducted by E. M. Burwash, Ph. D., to Toronto.

For the past eleven years these classes have been conducted at various mining centres in Northern Ontario for the benefit of those interested in mining, but until last week lectures were given in Toronto.

The course consists of a series of lectures, both in the afternoon and evening, dealing with mineralogy and geology in an elementary manner and are accompanied by a study of the more common minerals, particularly the physical tests used in identifying them. The evening lectures on geology are well illustrated by colored slides and have proven very popular.

As evidence of the interest shown in these classes in Toronto, it may be said that some of the lectures have an attendance in excess of 100, whereas in the northern communities, where they have been held in the past, 15 to 20 would constitute an average attendance.

The success that has been met with will probably establish these lectures as an annual occurrence in Toronto for the benefit of those interested in mining.

Dividend is in Prospect For Cosgrave Brewery

Possibility of resumption of dividends at no distant date and a receptive attitude on the part of the directors to any satisfactory offer of merger were the salient points in J. F. Cosgrave's presidential address at the annual meeting of Cosgrave Export Brewery Co. held last week.

Proposals made to the company for an amalgamation with other Canadian breweries during the past fiscal year had been rejected by the directors. Mr. Cosgrave admitted the chaotic condition of the Ontario brewing industry due to over-production and keen competition but expressed his confidence in the solution of the problems during the next year.

Speaking of the financial position of the company he said:

"Your company is in no need of refinancing and is slowly placing itself in a position where at no distant date, the resumption of dividend payments is a distinct and pleasing possibility. You may rest assured, however, that if at any time, a merger proposition is forthcoming, that your directors feel would be a move in the right direction, it will be transmitted to you for your approval."

Directors were all re-elected including George S. Lyons who became a member of the board during the past year succeeding Norman MacDonald.

Dominion Square Corp. Report Lacks Confirmation

From Our Own Correspondent

MONTREAL. — Reports that gross revenue of Dominion Square Corp. at the present time is sufficient to take care of operating expenses and bond interest requirements cannot be confirmed. The company issues no figures on earnings and the statement can only be regarded as unofficial.

Dominion Square Corp. owns the Dominion Square Building comprising a ten story office and store structure in Dominion Square, Montreal. The building was completed in January, 1930, and was built by the George A. Fuller Co. of Canada.

McLeod, Young, Weir Co. Move Into Larger Offices

McLeod, Young, Weir & Co., investment bankers, has just completed moving its head office staff into larger quarters, occupying the whole of the ninth floor of the Metropolitan building, Toronto.

Previously the company had had its offices scattered over several floors of the building, with its statistical, analytical service, accounting and originating departments located on the eighth floor.

TWELVE MONTHS NICKEL'S PROFITS ABOUT 70 CENTS

Fourth Quarter Earnings About Equal to That of Third

OUTLOOK STILL GOOD

Production Above 1929, Costs Lower; Precious Metals Are Help in Maintaining Revenue

Earnings of International Nickel for the last quarter of 1930 have not yet been made public but indications are that they were not any better than in the third quarter, which amounted to 10½ cents per share, as compared with dividend requirements of 25 cents a share.

Indications are that earnings per share on the common stock for 1930 will amount to between 65 and 70 cents per share, as compared with $1.47 per share in 1929. The combined earnings during the past two years would be more than sufficient to meet the last two years dividend disbursements.

Mr. Stanley's Attitude

At a special meeting of shareholders last July, Robert C. Stanley, president of the company, commented on dividends as follows:

"By suspending dividends and curtailing operations—additional financing through the issue of rights to shareholders might be avoided, but from the standpoint of the company's future and in fairness to the present shareholders I believe such a course would eventually prove to be ill-advised."

The issue of rights made a gross improvement in the cash position of the company of approximately $16,500,000 during the last six months of the year. The deficiency between earnings and dividend requirements for the year was approximately $4,200,000, while the construction programme of the company, demanding the cash of the company, is about completed, and indications are that the present cash position of the company is better than at any time last year except in the third quarter immediately after the issue of rights.

Whether the directors of the company will make further inroads into its cash by maintaining dividends not earned, and for how long, is the question.

It is not regarded as probable that the dividends will be passed, but instead cut to around a 60 cents per year basis. If the dividend was passed it would preclude it from the lists of many investment enterprises which must confine their securities to dividend payers. In passing the dividend, many of these investment enterprises would be forced to liquidate their holding, which would have a bad influence on the market.

J. L. Agnew, vice-president of the company, who recently returned to Sudbury from New York, refused to discuss the dividend policy of the company, saying that it would be decided by members of the board of directors early in February.

Nickel Orders Increase

The new year witnessed tangible evidence of improvement in nickel sales by the heaviest buying of the metal that has taken place in recent months. Whether this is the result of industries replenishing their stocks following inventory taking, when stocks are generally allowed to reach a low point, or whether it reflects greater industrial activity, remains to be proved. The belief in well-informed industrial circles is that the new year has started the slow upward trend to normalcy, and that the future will witness slow but gradual improvement for the nickel industry.

The time required by the company to reach normalcy or earnings sufficient to meet dividend requirements is not entirely governed by increased nickel sales, as the company's new plant equipment and the Frood ore has completely changed the earnings aspect. The new facilities and the higher grade copper ore will permit of a much greater profit per ton of ore treated than before and until the new plant has been operating a few months little will be known of what may be expected in the way of earnings. Only in one full quarter, the last three months in 1930, has the new plant operated, so nothing is known by the general public as to the economies effected.

Production Above 1929

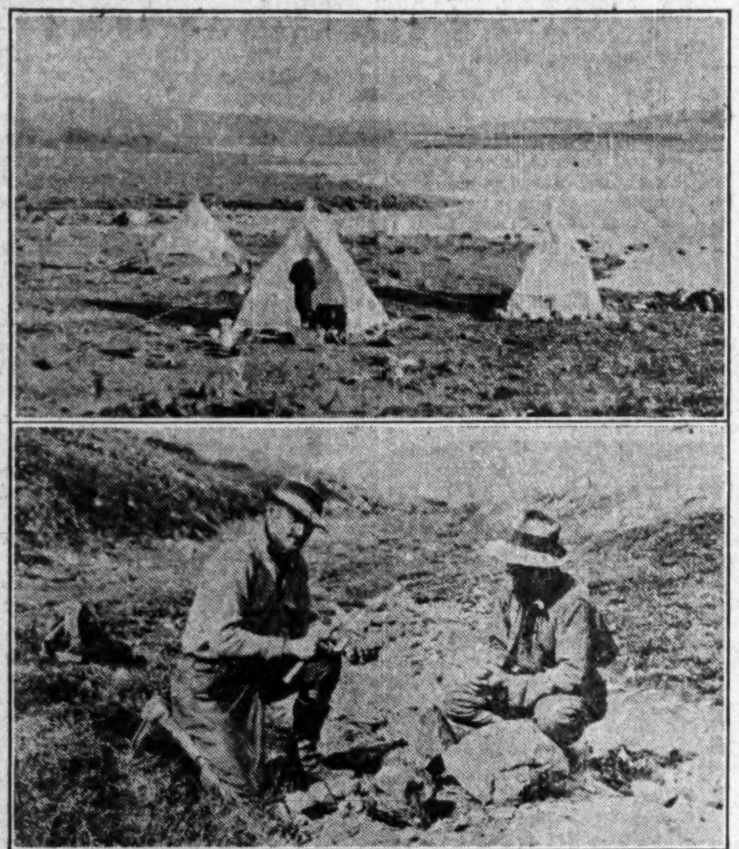
Production at the Copper Cliff plant is at less than one-half capacity, but even with this restricted production the December matte production exceeded that of the combined production of the old Copper Cliff smelter and the Coniston smelter for any month during 1929, the peak year of production.

Copper prices cuts the profits from the production of this metal but not to the extent indicated by current prices as compared with prices prevailing in 1929. Copper is doubtless now being produced at a much lower price per pound than at any time in the company's history, due partly to improved metallurgical treatment and partly to the higher grade ore from the Frood mine. Output of precious metals, in all probability, is being produced in greater quantities than ever before, although the tonnage of ore treated is down.

Summarizing the situation it is evident that too much stress should not be laid on decreased nickel sales in calculating possible earnings.

Canadian Mining News

N.A.M.E. Actvities in the Copper Mine River Area



The upper picture is a typical camp of N.A.M.E. prospectors within the Arctic circle. Airplanes take prospectors to different areas where a systematic search is made for mineral showings, and communication is maintained with the central camp by airplane. The lower picture is the site of the bornite find in the draw about 40 miles south of Coronation Gulf. Jas. Hall, M.E., and Glen Rapson, prospector, the discoverers, are shown examining the find.

Ontario Lignite Deposit is Great Potential Asset

Development by Ontario Department of Mines With Co-operation of Research Foundation Proving and Solving Commercial Problem

Ontario's huge lignite deposit in the Moose River basin continues to increase as development work proceeds.

Development operations are now concentrated on the No. 4 area which lies west of the Onakawana River at Blacksmith Rapids, located at mile 126 on the T. & N. O. Ry. extension from Cochrane to James Bay. This No. 4 area consists of 286 acres which has an average indicated thickness of approximately 42 ft., and developments to date indicate 19,000,000 tons of lignite in this area alone. An exploration shaft is in the process of sinking through the over-burden which averages approximately 83 ft.

Previously, development operations have been carried out on what is known as the No. 1 area, lying east of the Onakawana River, between it and the Abitibi River, where drilling has indicated approximately 150,000,000 tons of lignite.

Start Work in 1927

The development of this lignite deposit has been due directly to the geological study of the area by W. S. Dyer, Ph.D., of the Ontario department of mines. In 1927, Dr. Dyer inspected the outcroppings along the river which had been known for many years, and established the age of the formation as cretaceous, favorable to coal deposits. The following year, further work was carried out in the area by Dr. Dyer and early in 1929 the Ontario legislature voted $25,000 for carrying out a preliminary diamond-drilling programme. Drilling operations started in June, 1929, and have been carried out continuously since that date.

Owing to the magnitude of the deposit and the problems to be worked out in connection with its utilization, the Ontario department of mines withdrew the area for staking which has prevented wild-catting in the area and exploitation by promoters. The area withdrawn is approximately 1,600 sq. miles, known as the Moose River basin and extends from James Bay, south, between the Missinaibi River and the Abitibi River to the pre-cambrian contact.

In 1929, approximately 300 tons of lignite was mined through the development shaft and shipped for testing purposes to determine the best treatment for its utilization.

While the development of this lignite deposit is being carried out by the Ontario department of mines under the direction of Dr. Dyer, the Ontario Research Foundation is co-operating in the commercial utilization of the deposit. A fuel technologist especially familiar with lignite, is engaged in studying probable methods of treatment. That the deposit is of great commercial importance, particularly to northern Ontario, has been fully established, but the method of beneficiating it requires much study, dependent upon the nature of its use.

The analysis of the lignite as mined averages about 50 per cent moisture, which will not permit of its commercial use until it has been dried or otherwise beneficiated. Several methods are under consideration, each particularly adapted for higher grade the beneficiated fuel would have to be to sell in competition with the imported fuels.

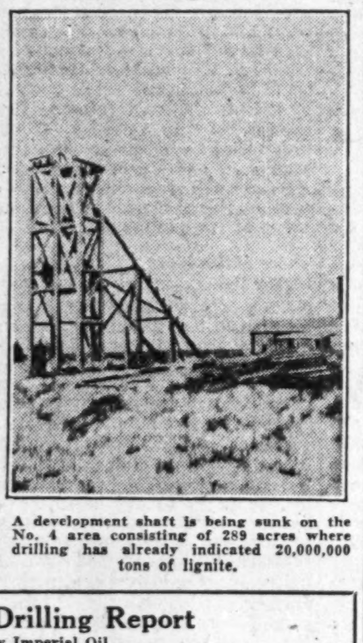
Owing to the high moisture content, shipping in its raw state any certain types of use. The amount and expense of this beneficiating contemplated is largely governed by competitive fuels. Obviously, the wider its distribution, particularly if shipped into southern Ontario, the distance is out of the question, but by drying, carbonizing, or by briquetting its use might be extended to unlimited industries.

May Have Industrial Use

When dried and pulverized it becomes a desirable fuel for industrial plants and smelters using this type of fuel. Paper mills and other industrial plants using mechanical stokers might be able to use it in an air-dried state. If it was carbonized and made into briquettes, it would be comparable in fuel value to anthracite which would greatly expand its use and permit of shipping great distances. Briquetting, however, requires the use of a binder, and at the present time the oil refineries of Ontario and Quebec are the potential sources for a bituminous binder. Experiments, however, have been carried out with other types of binders, the value of which has not been established. Should petroleum be found, even in small quantities, associated with these lignite deposits, it would have an important bearing on the briquetting process.

Briquetting has been successfully applied to the lignite deposits of southern Saskatchewan, and this fuel has now become a formidable competitor of other types of fuel for industrial use in that area and there seems to be little doubt that the joint efforts of the Ontario department of mines and the Ontario Research Foundation will be successful in making the commercial utilization of the Moose River basin lignite feasible.

Site of Operation



A development shaft is being sunk on the No. 4 area consisting of 289 acres where drilling has already indicated 20,000,000 tons of lignite.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

PROGRESS REPORT—Week Ending Jan. 10, 1931

Name of Well	No.	Type	Depth last report	Present depth	Feet drilled	Remarks
Royalite	11	DD.	....	....	...	Rigging up diamond drill for clean out.
Royalite	24	S.	5503	5552	49	Drilling in lime (Top lime 5,255 ft.; 297 ft. in lime).
Royalite	25	R.	4444	4491	47	Rigging up Sheldon Burdon rotary table (Top lime 4,278 ft.; 213 ft. in lime).
Mayland	4	S.	1955	2125	170	Straightening hole at 2,112 ft.
Mayland	6	R.	2474	2809	335	Drilling in sand (Knm at 2,250 ft.)
Lowery	2	R.	5038	5141	103	Cemented 5,134 ft. 8⅝ in. casing, standing (Top lime at —).
C.D. & P.	1	R.	3289	3445	156	Drilling in sand.
S.W. Pete.	2	R.	2084	2441	357	Drilling in shale.
S. Lowery	1	R.	4490	4565	75	Standing cemented (Top lime at 4,540 ft.)
S. Lowery	2	S.	374	665	291	Drilling in shale.
Merland	1	R.	....	....	...	Drill pipe backed off to 4,378 ft., fishing for sand line and shooting line.
Lethbridge	1	S.	588	858	278	Drilling in shale.

NOTE: R—Rotary. S—Standard. DD—Diamond Drill.

SISCOE FIGURES REVEAL GROWTH

Production for Year Has Total Value of $367,266

An official statement by the Siscoe Gold Mines shows that production during 1930 amounted to $367,266 from the treatment of 33,744 tons of ore, giving an average recovery of $10.88 per ton.

The year just closed marks the second year of production for this company, having started into production on January 4, 1929. In 1929 it treated 29,836 tons from which a recovery of $307,404 was made.

The official statement also recounts the progress made at the company's property in the Hurricana district of Quebec and states that the new central shaft started earlier in the year was completed to a depth of 450 ft. Development work has been proceeding on the 300 and 450 ft. levels of the new western vein system indicated by diamond drilling in 1929. On the 300 ft. level, the ore zone to date has been explored for a distance of 250 ft., the results from which are considered satisfactory. Drilling indicates that this ore probably extends a further 300 ft. north. On the 450 ft. level a cross-cut to the same system has just been completed to the ore zone, and drifting is to start at once. The new 50-ton addition to the mill, giving a capacity of 150 tons daily, has just been completed and will be placed into operation next month upon the completion of the repairs to the power plant.

During the first half of the current year it is proposed to deepen the central shaft 150 ft. and establish a new level at the 600 ft. horizon.

N.A.M.E. WORK IN ARCTIC CIRCLE PROMISES WELL

Copper Mine River Find Believed to Be Important Commercially

IN FOUR OTHER AREAS

Discoveries Not Spectacular So Next Season to See Far North Efforts Continued

The year just closed was the most successful the Northern Aerial Minerals Exploration, the pioneer company to use airplanes in the search for minerals, has enjoyed in the three years of its activities.

In 1930, the company carried on prospecting in five areas in Canada, the most important of which was in the Copper Mine River area between Great Bear Lake and Coronation Gulf, within the Arctic Circle. In this area at a point about 60 miles southwest of the mouth of the Copper Mine River where the settlement of Fort Hearne is located, two members of the N. A. M. E. staff carried out a systematic search which resulted in discoveries of rich copper sulphides—chalcopyrite and bornite.

Trenching is Promising

Where the bornite discovery was made, surface indications are encouraging and an important tonnage is possible. In a draw which cuts through a basalt flow having a width of 30 feet and a length of 2,000 feet, trenching opened up 12 feet of massive bornite which averages 46.99 per cent copper. One wall only was reached in this trench.

Seven other branches were put across this draw. In one other, six feet of massive bornite ore was uncovered, with one wall only reached and in two other trenches massive bornite float was found, and no barren rock was reached in any of the trenches.

The ground was frozen and trenching could not be carried on to any extent due to sloughing in of mud and water, and only in two trenches could the ore be observed. It is necessary to carry on further trenching throughout this draw, which will be done in March, this year, under the direction of James Hall, mining engineer, with the frost in the ground, by the use of dynamite, and the results of this trenching work will prove whether this promising discovery is of sufficient importance to result in further exploration and mining operations.

Say Transportation Feasible

Six other discoveries were made having mineable widths and extensive lengths. The majority of these discoveries were chalcocite disseminated with quartz and in some places massive chalcocite. In themselves they will not justify the opening up of a new copper field.

From information available at present, a regular transportation system can be successfully carried on by ocean-going vessels to Coronation Gulf. The discoveries are about 40 miles from tidewater. Copper mines may be opened up in this area in the future, but it is necessary that a large body of high grade ore be opened up to justify immediate development.

Other Areas Prospected

While the Copper Mine River area was the most interesting development of the company during the year, it was active in four other areas.

The area in the vicinity of Opemiska Lake, where an important copper discovery was made the previous fall, was given particular attention. Other favorable rock formations were carefully prospected but nothing important was found. Disappointing results were general for many exploration companies in the Northern Quebec area during the summer of 1930.

Several areas which had been hurriedly prospected in the early days of northern Ontario were more carefully gone over. Townships in the Temagami Forest Reserve were given particular attention. Work was also carried on in the Matachewan area but discoveries made proved too small to be of importance.

An area from which important mineral deposits were reported was prospected north of Fort Rae. The season's work failed to locate anything worth while.

Due to reports in the spring of large and rich bornite occurrences on the east side of Great Bear Lake, two prospectors were sent to the area. The geology proved favorable, but no new discoveries of importance were made.

To Concentrate on Development

The financial position of the company will permit of another season's work and it is the intention of the company to concentrate on the development of its find in the Copper Mine River area rather than expend further funds on prospecting.

The Copper Mine River find is apparently of great potential value and if development work substantiates its importance no difficulty in financing the find to production and commercial success is anticipated.

Metal Prices

New York—January 13:
Copper: Electrolytic spot, 10c lb.

London—January 13:
(Long Ton)
Copper: Electrolytic spot, £47; future, £47 10s. Standard spot, £45 7s. 6d.; future, £45 2s. 6d.
Tin: Spot, £114 10s.; future £115 17s. 6d.
Lead: Spot, £14 5s.; future £14 5s.
Zinc: Spot, £13; future, £13 7s. 6d.
Silver: 14 1-16d. per ounce.

Trail Ore Receipts

Following is a statement of ore received at the Trail Smelter for the period January 1st to January 7th, 1931, inclusive.

Name of Mine	Locality	Tons
Bell	Beaverdell	53
Knob Hill	Republic	51
		104
	Company Mines ..	9,214
	Total	9,318

United Towns Electric Expanding

United Towns Electric Co. is reported to negotiating purchase of control of Wabana Light & Power Co. of Bell Island, Newfoundland. Common shareholders of Wabana have the offer under consideration. United Town Electric Co. supplies electricity at retail to some 80 municipalities in Newfoundland and supplies power in bulk to Newfoundland Light & Power Co. at St. John's.

Gold Stocks Again Rise, Index Shows

Weighted index number of 17 mining stocks computed by the Dominion Bureau of Statistics on the base of 1926-100 was 60.8 for the week ending January 1, as compared with 58.1 for the previous week.

Eleven gold stocks rose from 57.2 to 60.6. Gold copper stocks represented by Amulet and Noranda fell from 65.7 to 65.5. Four silver and miscellaneous stocks remained unchanged at 29.1.

Among the gold stocks the weekly average prices behaved as follows: Lake Shore rose from $21.71 to $23.36, McIntyre from $18.56 to $19.49, Teck-Hughes from $5.65 to $6.05, Dome from $8.71 to $8.91, Hollinger from $6.08 to $6.22 and Wright-Hargreaves from $1.68 to $1.81.

Average weekly prices were higher for both of the gold-copper stocks. Amulet rose from 26 cents to 30 cents and Noranda from $13.57 to $13.88.

In the silver and miscellaneous group, Nipissing rose from $1.15 to $1.19 and Mining Corp. from $1.32 to $1.42, while Coniagas fell from 80 cents to 53 cents.

COURT AWARDS HARRIS $50,000 IN STAKE CLAIM

Word-of-Mouth Agreement is Confirmed By Highest Tribunal

The Supreme Court of Canada has awarded William S. Harris, a prospector, of Port Angeles, Wash., $50,000 as his share in the proceeds of the original sale of the Big Missouri mine.

The Big Missouri mine in the Portland Canal Mining Division of British Columbia is being developed by the Buena Vista Mining Co., jointly owned by the Consolidated Mining & Smelting Co., and the Big Missouri Mining Co. The property was located by Harris, James Broadfoot, and Hiram Stevenson and was originally known as the "Big Jumbo" group of claims. The award was made as Harris' partners had allowed the claims to lapse and had later conspired with other interests in re-locating them in an attempt to freeze out Harris.

The Supreme Court of British Columbia awarded Harris $100,000. The court of appeal in that province reduced the award to $10,000 and now the Supreme Court of Canada has raised it to $50,000.

The supreme court in protecting this prospector was governed by unique evidence which showed that the partners in both the first and second partnerships had operated on an agreement which was entirely oral.

LORNE GOLD SHAREHOLDERS REJECT OFFER

Refinancing Plan Considered Unfavorable to Majority of Shareholders

Shareholders of Lorne Gold Mines rejected the offer of the Bralco Development and Investment Co. to take over and finance the company, at a meeting held in Vancouver on January 6.

The property of the company lies adjacent to that of the Pioneer Gold in the Bridge River mining division of British Columbia, and is regarded as having promise.

The offer rejected by the shareholders was to advance the $95,000 due this month to the vendors of the property, to prevent foreclosure. In return, six per cent interest was to be paid on the loan and a 60 per cent interest was to be given in a new company to be formed that would take over the property, the present shareholders retaining the balance or 40 per cent interest. In addition it was provided that the money advanced was to be repaid out of the first earnings of the company.

Affairs Are Involved

The Lorne has undergone so many transfers that its affairs are slightly involved. It was originally the Lorne Amalgamated Mines Co. An option was later given to D. S. Beals and a Seattle man. In turn they transferred their option to the Lorne Mining & Milling Co., who subsequently transferred it to R. B. Lamb, acting for Stobie Forlong & Co. Stobie Forlong & Co. formed the Lorne Gold Mining Co., turning the mine over to the new company, at the same time holding the financing contract, under which they bought the company's shares at a set price and disposed of them to the public at whatever they could secure for them.

The original syndicate which is pressing for the payment of $95,000 consists among others of Ira Babe, Arthur Noel, Dan Hurley, Mrs. Arthur Noel and The Sloan Estate. They were members of the original Lorne Amalgamated which is now in process of liquidation under the charge of a Victoria lawyer.

The existing Lorne Company owes Stobie Forlong & Co. approximately $14,000 under a mortgage, while there is another small mortgage of $2,000 against the property.

ONTARIO

Portage La Prairie Mutual Insurance Co. has been licensed to transact fire, automobile, burglary, plate glass and weather insurance on both the cash plan and the mutual plan, excluding insurance on the premium note plan.

Toronto Gets New Industry

Eastern Power Devices Ltd., formerly Canadian distributors of high tension disconnecting switch equipment manufactured by Railway & Industrial Engineering Co., Greensburg, Pa., has been reorganized and in the future will completely manufacture these products at Toronto. The reorganized company will be under the management of W. J. Gilson.

Another Toronto Industry

The Toronto Industrial Commission announces another new industry for the city, Curtis Lighting of Canada, Ltd., recently incorporated with a Dominion charter. The parent company is Curtis Lighting Inc. of Chicago, with branches in the United States, Canada and Antwerp.

DIAMOND DRILLS FIND GOOD VEINS 'NEATH HOLLINGER

N. A. Timmins Says Importance of Discovery Not Determined

N. A. Timmins, president of the Hollinger Consolidated Gold Mines, states that in the course of diamond drilling operations, which are being carried on steadily, two veins have been cut 400 ft. below the 2,700 ft. level, which show high grade ore, but as yet it is impossible to determine the importance of the find.

In May, 1929, the company announced that Dr. L. C. Graton, geologist of Harvard University, had been employed to report on the possibilities of finding ore at depth. Efforts of Dr. Graton to date have been confined to the fundamental study of the general geological features of the property, but no announcement has been made as to when the report will be finished or of the nature of the conclusions reached.

Production for the year just closed promises to show a recovery valued at approximately $10,000,000, with an average recovery value per ton of approximately $6.15, as compared with a recovery of $9,433,767, or a recovery of $6.33 per ton during 1929. Operating profits promise to show a like increase, but indications are that profits and earnings on the company's investments will have declined owing to the current market depression for securities.

Indications are that earnings of 75 cents per share were made, as compared with dividend requirements of 70 cents per share.

YUKON CON. GOLD WILL BE PROBED BY OTTAWA ORDER

English Shareholders Make Application for Inquiry Into Company

For the first time since the statute was passed in 1902, the Federal Government has intervened in a fight for the control of a company and has appointed G. T. Clarkson, of Toronto, to investigate the affairs of the Yukon Consolidated Gold Corp.

Headed by J. T. Patton of London, Eng., a group of English shareholders has made application to Hon. C. H. Cahan, secretary of State, for an investigation on behalf of about 1,200 share-holders residing in England. The application claims that too much stock has been issued, and that a general state of mismanagement has existed. A. N. Treadgold has been president of the company since 1925. Associated in the application are M. G. Powell, K.C., and F. D. Hogg, K.C., both of Ottawa, where the head office of the company is located.

Yukon Consolidated was incorporated with a Dominion charter in 1923 with a capitalization of $6,000,000 divided into $500,000, 8 per cent preferred shares and $5,500,000 common $1 par value shares. Upon incorporation it took over a controlling interest in Burrell & Baird, The New North West Corp. and a number of other companies owning or operating about 85 per cent of the Klondike alluvial gold fields.

It has been the principal producer in the Klondike and has had four or five dredges operating the greater part of the time. Two of the dredges operated on the flats of the Klondike River between the mouths of Bonanza and Hunker Creeks. These dredges have a daily capacity of 10,000 cu. yds. of gravel and are operated by electricity. Two dredges operated on Dominion Creek one at Cariboo and one at Granville. These boats are of smaller capacity being about 3,500 cu. yds. each daily. The company also operated hydraulic plants at Jackson gulch on the Klondike River and on Lovett gulch on Bonanza Creek.

TURNER VALLEY 1930 PRODUCTION GREATEST EVER

1,312,695 Barrels of Oil is Record for Last Year

Turner Valley had a record year in 1930 with a total production of crude naphtha and crude oil of 1,312,695 barrels valued at $4,594,432 on the basis of an average price of $3.50 per barrel. This compares with a production of 954,239 barrels in 1929 valued at $3,240,757.

Royalite Oil continues to head the list of producers with a production of 343,084 barrels.

The following is a list of the principal producers together with an approximate value of the production for 1930:

Company:	1930 Yield	Approx. value
Home	265,739	$ 930,086.50
Royalite	343,084	1,200,769.00
Dalhousie	39,999	122,000.00
East Crest	42,670	149,345.00
Mercury	56,815	198,852.00
Associated	42,805	149,817.00
Mayland	49,695	173,932.00
Model	40,900	144,000.00
British Dom.	32,937	116,746.27
Total		$4,594,432.77

1930 Yields by Months

	Barrels
January	88,975
February	78,319
March	105,835
April	87,278
May	84,046
June	111,960
July	95,884
August	110,801
September	112,563
October	144,022
November	132,287
December	160,725

Commercial production in Turner valley started in 1924 when the Royalite No. 4 well blew in from the limestone formation. This well contined to be the principal producer during, 1925 and 1926. In 1927 Illinois-Alberta No. 1 well contributed 5,945 barrels and Royalite No. 3, 185 barrels, the balance being made up by the production from Royalite No. 4.

The following is the total crude naphtha and crude oil production since the commencement of commercial operations in 1924:

Year:	Barrels
1924	1,673
1925	169,027
1926	200,466
1927	240,925
1928	381,120
1929	954,239
1930	1,312,695

CENTRAL MANITOBA SHIPS 12 GOLD BARS

Bullion Worth $83,000 Represents Ten Weeks' Output

Central Manitoba Mines recently shipped 12 gold bars, valued at $83,640 to the mint at Ottawa. The shipment represented 10 weeks' production, covering a portion of October, all of November and the early part of December, T. Cuthbert Anderson, vice-president of the company, announces.

I. M. Marshall, mine superintendent, states approximately 95 men are employed with an average daily tonnage of 150 tons going through the mill. Heads are running at $9 and tails at 25 to 30 cents.

Two trucks are transporting the ore from the Tene Six and Rogers Claim to the mill, approximately 140 tons daily being conveyed in this manner. With the winter road from Great Falls to the mine in good condition, supplies are now moving into the camp without difficulty.

No information regarding the diamond drilling programme which was recently conducted at the mine is available, but it is expected that a full report on the results of this work will be presented at the annual meeting.

RENO GOLD MINES SHOWS PROGRESS

Profit of $3,103 Reported After Write-offs for Depreciation and Depletion

Reno Gold Mines which, since August, 1929, has operated a producing property in Salmo Valley, south of Nelson, B.C., has, according to O. C. Thompson, general manager of the company, produced bullion to the value of $185,000 to the end of November last.

The 50-ton mill on the company's property has averaged approximately 34½ tons of ore daily and, according to Mr. Thompson, the net profit in October last amounted to $3,105 after providing for all expenses and setting aside $1,032 for depreciation and $4,057 for depletion. The November figures are not yet available.

The estimated ore reserves in midsummer last year were two years' supply for the mill.

Development is continuing and during November last, 290 ft. of development work was done in ore averaging three to four ft. in width, on the No. 4 level.

Mill City Shareholders Oppose Mayland Deal

Circulars have been sent out to all shareholders of Mill City and to members of the Alberta Legislature by a group of shareholders of the company, objecting to the value received on the sale of the company to A. H. Mayland of Mercury Oils. It is claimed that the sale was forced upon Mill City shareholders, and that the proceedings at the meeting of the company when the sale was ratified were unfair.

The circular states that counsel has been retained by the opposing shareholders.

Consolidated Smelters Maintained Output 1930

A preliminary report by the Consolidated Mining & Smelting Co. shows metal production for 1930 compared well with that produced in 1929, although the value of the production was considerably less.

Lead about equalled the 1929 production but the zinc produced during 1930 increased approximately 40 per cent. Copper also showed an advance but the output is not important compared with the value of other metals produced. An interesting item is the great increase in the gold output, which had a value of approximately $500,000.

The following is a tabulation of the production for the past two years.

	1930	1929
Lead, tons	149,489	150,217
Zinc, tons	119,550	86,049
Copper, tons	7,064	4,173
Gold, ounces	25,782	14,694
Silver, ounces	6,936,759	7,362,164

McDOUGALL OIL REVENUE HIGHER FOR LAST YEAR

British Dominion Pays $16,635 in Royalties in Four Months

SUBSIDIARY IN HIGH

Net Income is $61,884, Compared With $44,226 in Previous Fiscal Year

Annual reports for the McDougall-Segur Exploration Co. and its subsidiary, the New McDougall-Segur Oil Co., show increases in earnings during the period ended Sept. 30, 1930, due to production from wells drilled on property owned by the companies, part of which is being drilled on a royalty basis by other companies.

The chief source of revenue to the parent company was in the form of royalties from the British Dominion Oil & Gas Co., which has a producing well on McDougall-Segur property and is drilling a second hole. Income from this source for the period from June 11, 1929, to Sept. 30, 1930, amounted to $18,523, less $1,888 government royalties and cost of preparing for marketing, leaving a net income of $16,635 from this source.

Income and transfer fees amounted to $7,328 and in addition to this, the company received $10,000, being an amount received on option for a lease on which no drilling has yet been done. Total deductions from these amounts for expenses, depreciation and income tax amounted to $15,835, leaving a surplus of $18,127.

Subsidiary Income $64,000

The subsidiary company shows total production from its wells amounting to $63,895, less government royalties of $2,211, leaving a net income of $61,684, as compared with $44,226 in the previous year. Development and general expense amounted to $30,200, and sundry income was $589, leaving $30,789, compared with $21,769 in the previous year which is applied against development expense, which is reduced thereby to $298,855. Development expense includes all development costs since commencement of drilling in 1926.

The McDougall-Segur Exploration Co. was one of the pioneer concerns to take up the search for oil in Alberta. Some development was carried on by the company in 1914, when the effects of the war made it necessary to discontinue operations. The McDougall-Segur Oil Co., which is controlled by the Exploration Co., was organized in 1929 for developing the property of the parent company. The parent company is now a holding company leasing property to its subsidiary and other companies, who pay a royalty on production from the property. The most important leases of the company are in Turner Valley.

The parent company has an authorized capital of 3,000,000 shares of no par value, of which 2,700,008 500,000 shares of $1 par value, of are outstanding, and the subsidiary company's capital is authorized at which 492,280 shares are outstanding, including 253,005 shares held by the parent company.

PREJUDICE
IS NON-EXISTENT IN THE COMMERCIAL LABORATORY'S VIEW OF ANY PRODUCT OR PROCESS. IT'S WHAT THE PRODUCT IS OR WHAT THE PROCESS WILL DO THAT DETERMINES THEIR OPINION.
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Pressure treated Forest Products
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AGNEW-SURPASS STEMS DECLINE IN DISTRIBUTION

Sales in Six Months Are Slightly Below 1929 Figures

From Our Own Correspondent

MONTREAL.—Factory and store sales of Agnew-Surpass Shoe Stores for the first six months of current fiscal year to November 30, 1930, were $1,626,429 as compared with $1,684,397 in the same period in 1929. The decrease of $57,968 represents a drop of 3.5 per cent.

A glance at the figures covering the first three months operations of the current fiscal year show that the company has maintained its position in the second quarter. In the first three months sales amounted to $793,330 or a decline of 3.6 per cent as compared with the same period in 1929. No figures on earnings have been published.

Operates 48 Stores

Agnew-Surpass is one of the largest manufacturers and retailers of boots and shoes in Canada. Factory is located in Quebec and production is distributed through 48 stores in Ontario, Quebec, Nova Scotia and New Brunswick. The company started in 1928 with 29 stores in operation.

In the fiscal year ended May 31, 1930, sales of the company totalled $2,953.512 an increase of $420,003 over those of the previous year.

Phoenix Elevator Co. Does Reasonably Well

Phoenix Elevator Co., which took over the assets of Electric Elevator & Grain Co. last July, has had a comparatively favorable experience in the last five months, considering the general conditions obtaining in the grain trade of Canada. Its terminal grain elevator at Fort William has been filled nearer to capacity than the majority of the elevators at the head of the lakes.

The average holding of elevators in Fort William is believed to be about 60 per cent of capacity while Phoenix has about 78 per cent. When the Phoenix Elevator Co. was organized a contract was made with McCabe Bros. Grain Co. to operate the property. When the movement of grain attains to activity characteristic of most post-war years, it is expected that earnings will be better. The elevator company profits more from the throughput than from storage.

Gross earnings were $227,488 and net profits applicable to dividends amounted to $184,172. This was equal to $18.42 a share on the $1,000,000 7 per cent preferred and $1.43 a share on the common of which there are 80,000 shares of no par value outstanding.

An Audit of Canada

One of a Series of Frank Discussions of the Future Development of the Dominion

By FLOYD S. CHALMERS

ARTICLE TWELVE; GOLD AND SILVER IN CANADA

The two great precious metals are gold and silver and in the production of each of these Canada occupies an important position, particularly in the output of gold.

At the present time, gold holds the focussed attention of economists the world over. The fact that the production of gold has not kept pace with the development of business and financial transactions has to some extent upset the economy of the world.

Prof. Gustav Cassel, internationally known economist, states:

> "If we have to face in the future a gradual exhaustion of the South African gold mines, and if no new gold discoveries make up for this loss, a serious fall in the absolute gold production is unavoidable and we may easily come down to a gold production amounting to less than half of what is necessary for the stability of the price level. Under such circumstances we have to expect a continuous and unlimited fall in the general level of prices. Such a prospect must be very discouraging for enterprise and, under such circumstances, economic progress would doubtless be seriously hampered."

Purchasing Power of Gold Increases

The declining production of gold has made the existing stocks of gold more valuable, and given to that metal a purchasing power much greater than it formerly had. Thus gold is the one commodity, traded in the world over, that has increased in price in recent years. Every ounce of gold now produced has a commodity purchasing value double what it had ten years ago. As some of the former gold supplying areas are decreasing in production there is naturally the greatest interest in those areas that are able to add yearly increasing amounts to the world's stock, and one of these areas is Canada.

It is hardly the function of this article to discuss suggested schemes for the more economical use of existing gold, which bear upon the problem. From the Canadian viewpoint it is sufficient to know that whatever means are adopted to make a small amount of gold go a long way there will always be an insistent demand for higher production and Canada is the only major gold-producing country that offers the prospect of increasing rather than declining production.

Canada May Now Be in Second Place

During the year 1930, Canada for the first time produced over two million ounces of gold and this production had a value of $43,000,000. It is possible that the final figures will show that in 1930 Canada stepped into second place among world gold producers being exceeded only by the Union of South Africa. Estimated United States production was just under the preliminary Canadian figure.

Occasionally, imaginative individuals, writing market letters, make the forecast that Canada will in a few years lead the world in the production of gold Such individuals have not studied the figures of South African gold production or they would see that that area is still producing approximately five times as much gold as does Canada and though its production is tending perceptibly to decline Canada cannot hope to occupy better than second place in gold production for many years yet. South Africa produces well over one half of the world's gold supply and Canada produces about 10 per cent. And the best estimates have it that in 1940 South Africa will still be producing three times as much gold as Canada.

Steady Growth in Recent Years

The interesting fact about the gold mining industry of Canada is the steady and recently rapid growth in annual production. The early history of the gold supply in Canada, covering chiefly the period from 1850 to 1890, is a story of the development of the placer deposits in British Columbia. The Klondyke gold rush brought the Yukon quickly into prominence as the chief source of Canadian gold and, in the year 1900, the Yukon alone produced half as much gold as this country at present produces. Placer mines in both British Columbia and the Yukon have declined in importance and now reliance is placed chiefly upon gold mines of the Porcupine and Kirkland Lake areas in Ontario, which produce over 8 per cent of Canada's gold, and on the various complex ores of British Columbia which produce gold as by-products of the smelting of ores in which other metals predominate. Gold is produced by the other provinces in smaller quantities.

Steady Increase for Some Years Expected

Just before the war Canada was producing about 800,000 ounces of gold annually, but after the war developments in Porcupine and Kirkland Lake areas brought rapid increase until the total of more than 2,000,000 ounces was reached in 1930. There are good prospects of further steady increase in Canadian production of gold as there are still many developments pending or under way involving the increase in the productive capacity of existing mines and exploration work goes on intermittently seeking to discover new mines in promising areas.

The Dominion Bureau of Statistics has estimated Canadian gold production to reach $46,500,000 annually by 1940 but this estimate, made last March, has already been shown to be based upon a very conservative method and the estimate of Joseph Kitchen of $55,000,000 annually by 1940 is a more liberal estimate. Obviously, further governmental cooperation in stimulating exploration and development might speed up the growth in Canadian production with advantage both to the world at large and to this country.

Gold mining in Canada is decidedly of more than ordinary interest now with a world shortage of that valuable metal. There are potential gold mines in practically every province and if good luck attends the efforts of our explorers and developers our annual production may continue to rise for many years yet. This production has a peculiarly important value to Canada, not only in providing wages, freight, taxes and wealth in other forms but in aiding us in the maintenance of stabilized currency and in meeting obligations abroad that may be due to any deficits in our international balance of payments, both visible and otherwise.

Silver Has Less Brilliant Tale to Tell

It is unfortunate that the story regarding silver is not as satisfactory. The silver mines of Canada are not enjoying prosperity and a number of them have closed down. If our silver production has recently been rising rapidly it is due chiefly to the mining of a larger amount of complex ores in which silver is an important constituent metal. During 1930, our silver production showed considerable increase and totalled 26,000,000 ounces, but the average price was very low and not sufficient to encourage development of silver mines. Moreover, at the moment, the prospect for higher silver prices is not good. We are still producing less silver than we produced in the years before the war. The opening up of the Cobalt area in 1907 brought Canada well into the front rank of silver-producing countries and the peak of production was reached in 1910, when nearly 33,000,000 ounces were produced and when silver had a value of over 53 cents as compared with present prices of around 35 cents. Canada ranks third among the world's silver producing countries, being out-distanced by Mexico and the United States.

At the present time British Columbia is the leading silver producer, its product coming largely from the silver-lead-zinc mines of which the Sullivan is the chief. But Ontario is a very good second, production coming from the silver mines of Cobalt, Gowganda and South Lorrain.

Silver mining is another industry that has promise for still larger production in Canada. We have by no means reached the end of profitable operations in our mines, but much higher prices for this metal must be established throughout the world before any considerable advance can be recorded.

This is the concluding article in a group of discussions of the future of Canadian mining. Previous articles dealt with the general position of mining in Canada, with the coal problem, with the iron ore problem and with the base metals. A previous group of articles outlined the present position of agriculture in Canadian economy. The next group of articles, shortly to be published, will probably survey the position of power development in Canada and will discuss the question of whether or not we are faced with an early [illegible] of power in some areas.

CAN. I. TRUST HOLDS EARNINGS AT SOUND LEVEL

Output Was Valued at $72,- Expect Profits to Exceed Preferred Needs By Fair Margin

From Our Own Correspondent

MONTREAL.—It is reported that earnings of Canadian International Investment Trust for the fiscal year ended February 28, 1931, will be equal to about 2½ times bond interest and about 1½ times preferred dividends, after all expenses and bond interest. It is further stated that the company has no debts and has on hand about $333,000 in cash, call loans and Government bonds.

Canadian International Investment Trust has not yet issued a report covering twelve months operations. In September, 1930, however, a six months' statement covering a period ended August 31, 1931, was published.

Earned Preferred Dividend

This showed bond interest earned 2.5 times and earnings of $3.70 a share on the preferred as against dividend requirements of $2.50 a share for the period under review. There remained a sum equal to 20 cents a share after all deductions, on the common stock.

Balance sheet at August 31, 1930, showed cash and call loans of $277,513; accrued interest, $31,685, and accounts receivable of $22,760. Current liabilities included accounts payable of $500 and bond interest of $41,666.

No statement is available as to the extent of the depreciation or appreciation of the company's investments. As at August 31 last the company had investments at cost less reserves totalling $4,843,029. The actual market value was $4,211,555, or a depreciation from book value of 11.9 per cent on the amount of capital employed.

Of Recent Formation

The company was formed in 1929 as an investment trust of the open management type, subject to certain restrictions. There are outstanding $2,000,000 or 5 per cent first collateral trust bonds; $2,000,000 of 5 per cent preferred stock and $1,200,120 of common shares of par value $10.

At the end of the first half of the current fiscal year the distribution of assets was as follows: common stocks, 47.7 per cent; preferred stocks, 15.1 per cent; bonds, 31.5 per cent and cash and call loans, 5.7 per cent.

CRUDE PRODUCTION LOWER IN NOVEMBER

International Petroleum Completes More Wells in Colombia

Total crude production of International Petroleum in Peru and Colombia during November dropped slightly more than 2.1 per cent from the October total. Peruvian output declined to 738,859 bbls. from 758,117 in October and Colombian production was down to 1,692,264 bbls. from 1,725,809 bbls. Statement of shipments for the month has not as yet been forwarded to the Toronto office of the company.

The production in Peru during the 11 months ended November 30, 1930, is 9,004,061 bbls. as compared with 9,894,809 bbls. in the corresponding period of 1929, a decrease of some 9 per cent. This is a result of the curtailment initiated in July, 1930, and continued during the remainder of the year. Colombian production for the 11 months' period is 18,649,549 bbls. but 34,191 bbls. below the 1929 total for the same period.

December Output Lower

The average daily production in Peru was maintained during December, 1930, at the same level as in November at 24,608 bbls. per day while Colombian production averaged 54,722 bbls. as compared with 56,409 bbls. in November. Average daily production figures are cabled the Toronto office of the company at the end of each month and are issued with the complete production report for the previous month.

During November, eight new wells were completed in Peru with an average initial production of 920 bbls. This is higher than in the previous month when eight new wells had an average initial production of 878 bbls., and in November, 1929, when 16 wells were completed with an average initial production of only 213 bbls. In Colombia, 10 wells were completed, the largest number since June, 1930, and average initial production was 609 bbls., the lowest since August, 1930.

Production figures for November and the cumulative total for 1930 and 1929 are as follows:

Summary of Operations, November, 1930

	Peru	Colombia
Prod. wells completed.	8	10
Av. initial prod., bbls.	920	609
Total crude prod., bbls.	738,859	1,692,264
Shipmts. not available.	...	...
Av. daily prod. in Dec.	24,608	54,722
11 mos. ended Nov. 30:		
Peru:	1930	1929
No. of wells completed	111	168
Av. initial prod., bbls.	567	157
Total crude prod., bbls.	9,004,061	9,894,809
Colombia:		
No. of wells completed	107	112
Av. initial prod., bbls.	664	797
Total crude prod., bbls.	18,649,549	18,683.740

Tagge Resigns as Head of Canada Cement Co.

From Our Own Correspondent

MONTREAL.—A. C. Tagge has announced his retirement from the presidency of Canada Cement Co. and J. D. Johnson, vice-president, has been elected to succeed him. Mr. Tagge will retain his position on the company's board of directors.

The former president has long been associated with Canada Cement Co. From 1909 to 1916 he acted as general superintendent, when he became assistant general manager, which position he held until 1927. He was also vice-president from 1921 to 1927 and subsequently accepted the presidency of the company.

The annual meeting of shareholders was routine in nature. The board of directors was re-elected, while no provision was made to fill the vacancy created by the death of the late Hon. J. L. Perron.

M. S. Arkell Resigns as Live Stock Commissioner

M. S. Arkell, Dominion Live Stock Commissioner of the Department of Agriculture, has tendered his resignation from that office, and assumed a position with the Canadian Live Stock Co-operative Association.

The Canadian Live Stock Co-operative Association is a working entity of the United Farmers organization and it is understood that negotiations were undertaken some months ago by the United Farmers throughout Canada, to secure a capable man for organization purposes who would devote some time to the improvement in merchandising Canadian live stock. Last year, the Co-operative Live Stock Association handled some $180,000,000 in the various provinces through the U. F. O. W. D. McKay of Moose Jaw is president of the Canadian Live Stock Co-operative Association.

SIXTY-SECOND ANNUAL MEETING OF THE ROYAL BANK OF CANADA

Sir Herbert S. Holt, President, Deals With Causes of International Depression—Reviews Present Agricultural and Newsprint Situations, and Makes Constructive Recommendations—Expresses Confidence in Present and Future Situation of Canada.

Mr. C. E. Neill, Vice-President and Managing Director, Discusses World Depression and the Fall in Commodity Prices in Relation to Gold and Central Bank Policies.

Mr. M. W. Wilson, General Manager, Reviews Operations of Bank During Year—Emphasizes Importance to Canada of Present Sound Banking Situation.

The Sixty-Second Annual General Meeting of the Shareholders was held at the Head Office of the Bank.

President's Address

Sir Herbert S. Holt, chairman, in moving the adoption of the Directors' Report, said:—

Before moving the adoption of the Directors' Report, I wish to refer with deep sorrow to the death of Mr. Edson L. Pease, Vice-President of the Bank, which occurred on December 29th. Mr. Pease has been prominently identified with the Bank for forty-eight years, having been General Manager from 1900 to 1916, and a Director since 1907, and made an outstanding contribution to its development. His passing is mourned not only by his fellow Directors, but by the many members of the staff associated with him during his lifetime.

We also mourn the death of Mr. C. C. Blackadar, of Halifax, on April 6th. He was a member of our Board since 1917, and gave generously of his time and counsel.

The 61st Annual Report and Balance Sheet will, I am confident, be received by you with satisfaction. They indicate that, notwithstanding depressed business conditions, the Bank has experienced another year of profitable operations, and constitute further evidence of the essential soundness of the Canadian financial structure. The General Manager will deal with the financial statements in detail.

During the past eighteen months, depression has spread over every country in the world. Wholesale prices have fallen rapidly, hard times have come to farmers in every country, industrial activity has been reduced and unemployment has left fifteen to twenty million workers without their normal source of income. In Canada, the fall in the price of wheat and other cereals has brought hardship to the Western farmer and reduced his buying power; there has been a resultant decline in the activity of manufacturing for home consumption and the reduction in the volume of international trade has had adverse influence upon the volume of our exports. The activity of industry, however, has not been as seriously affected as have the industries of most other countries. Although wholesale and retail trade have declined substantially in the Prairie Provinces, they have been maintained at relatively satisfactory levels in other parts of Canada.

The Cause of the International Depression

There can be no doubt that the abnormal credit relationships during 1928 and 1929 must be held primarily responsible for the present widespread depression. High money rates had their inevitable effect and the resultant undermining of the economic and political structures has weakened the position of many nations to such a degree that it is necessary for them to borrow abroad before they can resume normal purchasing. The abnormal distribution of gold which has resulted in the concentration of sixty per cent of the world's gold supply in the United States and France has placed the control of the world price level in the hands of these two countries. Neither country has perfected its central banking machinery to the point where such control can be made promptly effective, and I fear that neither country has fully realized its duty in this respect to its own citizens and to the rest of the world. Until this responsibility is fully understood, or until there has been such a redistribution of gold as to leave other countries in a less helpless condition, the world can never attain that stability which business has every right to expect. Mr. Neill will discuss this subject in greater detail.

The Imperial Conference

The results of the Imperial Conference are naturally disappointing to the overseas Dominions. It was too much to expect that a ready-made proposal would be acceptable to Great Britain. Her trade with the outside world is relatively much more important to her than is the case with the Dominions, but proposals put forward by the Canadian delegates involved a principle rather than a plan and, in spite of whatever difficulties must be overcome in order to arrive at a common basis of agreement, this principle is one which should command serious consideration. The component parts of the Empire can surely expect from each other an understanding and co-operation in trade affairs which is conspicuously absent in international relations. It is hoped that preliminary discussions before the proposed conference at Ottawa will lead to a common basis of agreement at that time.

Mining

During the year there has been no outstanding find of minerals, and the drastic reduction in the price of copper, lead, zinc and other base metals has seriously affected the profit of most companies. However, when there is an increased demand I believe that Canada, with its cheap electrical power, which is so largely used in the production of metals, will be the first country to benefit. It is satisfactory to note that there has been an increase in the production of gold and in the demand for nickel.

The Newsprint Industry

The prosperity of the Canadian newsprint industry is of vital importance to our national economy, for newsprint is one of Canada's major industries, employing, in 1929, 33,584 persons (exclusive of those who were employed in the woods), receiving wages of over $50,000,000. Newsprint is one of Canada's principal exports, bringing into the country about $150,000,000 annually and contributing largely to our balance of trade with other nations.

The present situation in the industry is most unsatisfactory, largely caused by unwise over-expansion and the reduced demand brought about by world-wide depression. I think it would be advisable for the Provincial Governments to prohibit further installations until the demand catches up with the present supply. They should also insist on all Canadian companies operating at the same percentage of capacity. This would do away with futile competition and useless price cutting and leave the industry in a substantially stronger position.

The Railways

The gross and net earnings of the railways have been seriously affected by the general depression and interference with the movement of wheat during the regular shipping season, and by the uncontrolled and unregulated competition of motors, trucks and aeroplanes. Until there is a recovery in business the railways should make only such necessary expenditures on capital account as can be justified by a fair return on the money invested. In this connection, it is only stating an obvious fact of particular importance to the taxpayers of the country, that there should be a maximum of co-operation between our principal railways to the end that wasteful competition may be eliminated or reduced to a minimum.

It is vital that the railways should not be hampered by any reduction in rates or increase in taxes that would prevent their future financing or the maintenance of the high operating efficiency which now exists, and which would interfere with their ability to handle the increased traffic that is bound to come when the present depression passes.

The Power Industry

Hydro-electric plants now under construction will add two million horsepower to those presently installed. The power industry is one of the greatest assets of our country and it is of vital importance that the Federal and Provincial Governments should see that future developments are authorized only as the demand for power warrants, so that the stability of this industry will not be jeopardized.

Agriculture

The outstanding problem in Canada is the crisis in Western agriculture. The problem is national. The position of the wheat farmer calls for our sympathy and plans for the re-establishment of the substantial stability of Western agriculture are the first concern of the nation.

In order to meet the crisis created in Canada by the wheat situation the Federal Government, the Provinces and the banks have co-operated in a plan for the orderly marketing of the present supplies.

In the face of world-wide over-production of wheat and the Russian dumping menace, I strongly advise the adoption of mixed farming where natural conditions permit, thus lessening the exclusive reliance upon the production of wheat. To do this, I endorse the suggested formation of an Agricultural Credit Corporation similar to that which has been such a success in the Northwestern United States; this Corporation to lend farmers who need assistance, money to buy cattle, sheep and hogs, so that they will not be dependent solely on wheat for a living. The Corporation could also lend money to farmers to buy fertilizers, the use of which, it has been demonstrated, will increase the yield of wheat and other cereals from eight to ten bushels per acre and advance the maturity by eight to ten days, thereby reducing the risk from early frost. The fruit and vegetable ranchers of British Columbia could also take advantage of the use of fertilizers with equally beneficial results. The money required by the Corporation should be supplied by the Federal and Provincial Governments, the banks, mortgage and insurance companies; the Corporation to be administered by practical men who know Western agricultural conditions.

There has been a steady increase in Canadian demand for animal products during the past decade. Canada, an agricultural country, has been importing millions of dollars' worth of meats, butter and cheese and fruits and vegetables of a kind produced within the country. This anomaly should cease.

There is also an attractive market for Canadian bacon in Great Britain. Between 1920 and 1930, British imports of bacon increased from five hundred million pounds to one billion pounds. In this same period, Canadian exports fell from approximately two hundred million pounds to less than eighteen million pounds. In spite of this excellent opportunity for marketing animal products abroad, the total value of meat exported in 1920 was ninety-six million dollars; the total value of meat exported in 1929 less than twenty million dollars. The dairy exports of 1920 had a value of fifty-five million dollars. It is upon definite evidence of this character, drawn from knowledge of market conditions, both at home and abroad, that I base my conclusion that the future production of Canadian agriculture can be advantageously diversified.

The Stimulation of Canadian Industrial Production

As high tariffs of other countries and other special conditions may react to reduce Canadian exports, there must be corresponding measures on our part to discourage imports and to encourage a proportionate increase in the quantity and variety of our home production. The prompt action taken by the Federal Government in tariff adjustment, enforcement of the dumping clause and prevention of smuggling, has already shown highly beneficial results in increased manufacture of domestic goods and employment of labour. Many industries that previously were operating at half time and less are now operating 80% and upwards. It is to be hoped that the Government will make further tariff adjustments where required and stop the entrance of Russian coal, pulpwood, and so forth which are produced by conscripted labour, paid only a few cents a day, and which lessen the employment of Canadian labour. I am firmly convinced that if we had adequate protection there need be no increase in the price of goods. What is required is increased production, giving employment to our own people, thereby increasing our purchasing power. By steadily increasing our population and fostering home industries we will create a market which will benefit the farmers both in the East and in the West.

Government Finance

The Government is confronted with grave difficulties. The decline in industrial activity has reduced internal revenue and the falling off in imports has cut down receipts from customs. In the face of heavy demands from all parts of the country for special aid, the Government is faced with the necessity for special care and economy. While I am in favour of many of the appropriations which are being made for public works, such as roads and bridges which are important to the development of the country, there is special need for wise economy in governmental expenditure at this time.

Summary

The present interruption in the normal trade relationships of the world is not going to persist. Corrective forces are at work which will re-establish the flow of international credit and restore the volume of world trade. Business and industry have maintained a surprisingly satisfactory volume of activity in Canada as compared with other countries. The stability of our great industries and the strength of our financial institutions during the past year constitute a record which we may view with pride. It is this stability which is the basis for my optimism concerning the future. There are a sufficient number of favorable factors in the Canadian situation so that a resumption of expansion and development in Canada cannot be long delayed.

Vice-President's Address

Mr. C. E. Neill, Vice-President and Managing Director, said:—

In previous years what I have said at these Annual Meetings has had to do with the situation in trade, industry and finance in Canada and with the progress of this Bank. Last year I discussed the business opportunities opened to this country by the growth in the tourist trade. Since that time the Canadian Chamber of Commerce has made a special study of this subject, and voted to establish a Bureau which will co-operate with the various local Tourist Bureaus and with the Canadian Federation of Tourist Bureaus in advertising the attractions of the country, and in other efforts to increase the volume and value of this trade. It is still hoped that the Federal Government will assist by making a substantial contribution.

This year the primary difficulties with which this country is confronted are world-wide in character and find their origin in disruption of the international financial structure. I am fully aware that the general public and many bankers attribute the present depression to various other factors, such as over-production, collapse of the stock market, political and social unrest and change in psychological processes, usually expressed as lack of confidence; but these are effects rather than causes, and we must look deeper than this superficial evidence if we wish to understand what has happened.

It would seem that the outstanding cause of the present world-wide depression was high interest rates during 1928 and the greater part of 1929. During these years we had the unique phenomenon of a stock market advancing rapidly in the face of very high and steadily increasing interest rates. Why this should have occurred it is difficult to understand. I venture the suggestion that we emerged from the chaos of war with equity stocks in a position of great strength and prices far below what was justified by fundamental conditions. The steady increase from 1922 to perhaps 1927 would appear to have been quite justified, but this long-continued advance apparently produced a psychological situation which carried the market far higher than could legitimately have been expected. This situation was further accentuated by the policy of the Federal Reserve Bank in endeavoring to ration credit. Thus loaning rates for commercial business were kept relatively low and the full effect of the high average rates for money was slow in being felt by industry and trade. The business situation was further stimulated by easy profits in the stock market and by fresh capital raised by practically all the large industrial companies through issues of common stock on a basis of very low yield to subscribers, with apparently valuable rights which, of course, subsequently proved to be illusory. But long before the 1929 collapse high money rates had almost entirely shut off new loans to borrowing countries, and with them the concomitant ability to purchase foreign goods.

It will be recalled that during 1927, in an effort to assist European countries to resume gold payments, rediscount rates in New York were reduced to 3½%. This policy undoubtedly contributed to the inflation of 1928 and 1929. It is a matter of opinion whether the reason was sufficient to justify the reduction in the rate at that time; but, whatever views may be held on this point, it now seems clear that a much more stringent policy should have been adopted early in 1928 and continued until the stock market craze had subsided. This policy would have had the effect of slowing up business sooner, but we would have had a correspondingly shorter and easier road to retrace. We completed in 1929 a period of inflation and have had the inevitable collapse, but we are not now carrying deflation to even greater excesses, and once more due mainly to a faulty monetary policy?

The main features of the present depression are an unprecedented fall in the price of stocks and a percentage decline in commodity prices, only surpassed by the debacle of 1920. Such radical world-wide changes in the price level are very much misunderstood phenomena, usually attributed to general over-production. The fact is overlooked that total purchasing power of the world is governed by total volume of production valued at current prices, and purchasing power can be increased only by increased production. Commodities pay for commodities. Money is only a medium of exchange and all exchange is ultimately barter. Demand and supply are, therefore, reciprocal.

Fluctuations Could be Prevented

Were the fall in prices due to increased production, no further explanation would have to be looked for, but, in fact, the fall coincides with diminished production. The total value in money of the output of the world is decreased both by the percentage by which prices fall and by the decrease in the physical volume of production.

These wide fluctuations in the money value of output are clearly a monetary phenomenon which, if properly understood, could be prevented. Over-supply of individual commodities could explain the decline in the value of one commodity in relation to another. Over-production of agricultural products in relation to manufactured articles would justify a decline in the price of farm products as compared with the products of industry, but when the average of all prices declines this can only be explained by an under-supply of that in which prices are expressed, i.e., money, and it would seem that if the effective supply of money is kept in the right relation to production of commodities the phenomenon of a declining average price level will not occur. Obviously the situation is not as simple as this statement indicates. Any change in general trends sets up maladjustments and psychological factors which require stringent measures to combat and it is particularly difficult for central banks to pursue a proper protective policy because public opinion, which will resist any so-called artificial measures to prevent inflation, takes the same attitude towards deflation. Dr. W. Randolph Burgess, in his book on the Federal Reserve System, points out that the proper policy of a central bank is usually to go directly contrary to public opinion. When all financial centres feel that business does not require more money, then is the time to increase the supply, just as truly as it is time to reduce supply at the moment when inflation begins to appear. If on the collapse of the stock market boom the principal central banks of the world had decided that drastic contraction of currency and credit was not to be permitted, a drastic fall in the price level could not have occurred. Thus the countries with fiat currencies, such as Argentina, Uruguay and Spain, are not suffering anything like as acutely as the gold countries.

Responsibility Rests With United States

If the central banks of all the countries on a gold basis should deliberately adopt a common policy, they could within a certain time lag, raise or lower the price level almost at will. Without a common policy, movements of gold would in due course arrest action of one country not in harmony with the policies of others, although the United States, with a huge stock of gold, could probably afford to loose a quantity which no country or group of countries would be willing to receive. On the other hand, she has during the period of 1921-1925 received gold on an unprecedented scale without allowing such receipts to create inflation.

It is because the United States is in such a commanding position of wealth, with forty per cent of the world's gold supply, that the main responsibility for the world price level rests with that country.

Having allowed deflation to proceed to the extent which it has, it seems likely that it will be a prolonged process to restore financial equilibrium which involves: (1) reducing costs of production in the proportion that the price level has fallen or (2) bringing back average prices to the relatively stable level of 1922-1928; (3) a combination of these two policies. Increased efficiency in industry, particularly at a time when production is far below normal, cannot provide the readjustments in costs which are necessary to restore normal profits, without which depression must continue. A general reduction in wages will be resisted, and it would therefore seem that the easiest way out is a restoration of the previous stabilized price level. To accomplish this, money must again flow freely through the financial arteries of the world. Business depression and resultant falling Government revenues, and social and political unrest, have created conditions in a large proportion of the countries of the world which have seriously affected their credit. The average price of the bonds of all South American countries has fallen to panic levels, and it is obvious further borrowings cannot be arranged until the price of these securities has been restored to something approaching parity. The same condition is true of the securities of a number of European countries, notably Germany. It is, however, precisely in these countries where capital could find its most profitable employment, and, if intelligently placed, would undoubtedly be quite safe. A gesture of confidence in the form of financial assistance to such countries would be of the greatest importance in changing the world outlook. This matter is so important that I believe it justifies a conference between the financial leaders of Great Britain, the United States and France, with the idea of devising a scheme to hasten normal financial relations between these countries which have surplus money to invest and those that urgently require it. I make the alternative suggestion for discussion; that a syndicate of the British financial interests might create an organization with substantial capital which would have the complete confidence of the money markets of New York and Paris, and through such an organization borrow at reasonable rates for the purpose of relending to other markets at rates commensurate with the greater risk involved.

Co-Operation of Central Banks

For the future it is absolutely essential that means should be devised to prevent the drastic changes in the price level which have been characteristic of the period since the close of the war. Such changes in their effect are not much less damaging to civilization than those produced by war. To change the present situation permanently it may be necessary to revise the charters of all the principal central banks and to come to some clear understanding regarding co-operation. The object to be attained is quite clear, namely, stability. The artificial exhilaration of inflation and the agony of deflation must be avoided at all costs. If we go on as we are at present, prospects over a long period point to further reductions in the price level, depressions and unemployment, such as were characteristic of the period of 1870-1896, but accentuated in the proportion that volume and tempo of business has increased.

The United States and France stand out with a practical corner on the world gold supply. Both on balance have large amounts of money owing to them; both are using their best efforts to avoid receiving payments in goods for amounts owed and temporarily, at least, both are unwilling to offset amounts owing by loaning abroad. This is an impossible situation which, if not met in a statesmanlike manner, can only have disastrous results to the world.

The Bank of International Settlements is designed as a meeting ground for the forces of co-operation and co-ordination in monetary affairs, but I fear that it is too closely associated with the question of war debts to command the support of the United States.

I would make a further suggestion—that a committee of the world's outstanding economists should be appointed, something along the lines of the Gold Delegation of the Financial Committee of the League of Nations, to consider this whole question and to report on and criticize the charters, policies and operating technique of the principal central banks. The privileges and restrictions under which such banks now operate are mainly based on tradition and the experience of a different financial age, and they require revision from top to bottom. Such a report would do much to create an enlightened public opinion, without which the problem will continue to be ignored or treated on narrow national or political lines. The problem is well understood and, given the will to do so and the absence of political interference, it can undoubtedly be solved.

I am well aware that the question of central bank policy and its influence on prices is a much debated one; even in recent times; for example, many bankers in the United States have expressed the opinion that the Federal Reserve System exercises no dominant influence in the price field. Followed to their logical conclusion on a world-wide basis, these opinions indicate a belief that the stability of the world's medium of exchange is practically at the mercy of the elements; that man is incapable of controlling an instrument of his own devising; and that the instability which for generations has caused untold losses to business and suffering to workers must continue to exert its evil influence as chance dictates. I cannot subscribe to any such views. The situation can be remedied. It must be remedied.

General Manager's Address

The General Manager, Mr. M. W. Wilson, discussed the Annual Balance Sheet and Profit and Loss Account in detail. He cleared up any misapprehension which may exist in regard to the position of the banks in relation to the wheat pool in the following statement:

"At home there has been much discussion regarding credits extended by the banks to the wheat pools. You should be informed that, while such loans run into substantial figures, they are on an unquestionably safe basis, being secured not only by grain, but by Government guarantees that effectually preclude the possibility of loss to the lending banks."

He referred to the satisfactory manner in which the Canadian chartered banks have been able to take care of financial requirements in Canada during a difficult year, stating that the stability of our banking institutions has been clearly demonstrated and fresh evidence has been given that the Canadian banking system is adequate to the needs of the country in times of stress as well as under normal conditions.

The following were elected Directors for the ensuing year: Sir Herbert S. Holt, K.B., C. E. Neill, D. K. Elliott, Hugh Paton, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, G. H. Duggan, John T. Ross, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish Campbell, Robert Adair, Hon. William A. Black, M.P., C. B. McNaught, G. MacGregor Mitchell, R. T. Riley, Stephen Haas, John H. Price, W. H. Malkin, Julian C. Smith, Archibald Fraser, W. J. Blake Wilson, Sir Henry W. Thornton, K.B.E., G. Harrison Smith, His Honour Frank Stanfield, and M. W. Wilson.

At a subsequent meeting of the Board of Directors, Sir Herbert S. Holt was re-elected President and Mr. C. E. Neill Vice-President for the ensuing year.

IMPERIAL TOBACCO FISCAL STATEMENT TO COVER 15 MOS.

Expect Consideration of Final Dividend in March

From Our Own Correspondent

MONTREAL.—Any estimate as to earnings of Imperial Tobacco Co. of Canada for the past fiscal period ended December 31, 1930, is rendered difficult since the forthcoming report which should be available in March, will cover 15 months operations. Hitherto the company has concluded its year on September 30, but it was decided at the last annual meeting to change the fiscal year to December 31.

The management refrains from publishing any interim figures on earnings and to what extent business conditions have affected the company remains to be seen. Interim dividends at the rate of 7 per cent per annum have been maintained. Owing to the change in the company's fiscal year, however, the usual final dividend, which was paid in December, 1929, has not yet been declared. On the basis of last year, this disbursement should come up for consideration some time in March.

Dividend Was Increased

The annual dividend rate on the common was increased by 1 per cent in February, 1930. Payments in 1929 were made at the rate of 6 per cent while the final dividend amounted to 2 per cent bringing total disbursements on the common, in the fiscal year ended September 30, 1929, up to 8 per cent or 40 cents a share on the $5 par value stock.

A feature of operations in 1930 was the acquisition of the Tuckett Tobacco Co. which should find some reflection in earnings for the past year. The deal was finally approved in June and shareholders of Tuckett received 30 shares of Imperial for each one of their shares.

Substantial Earnings in 1929

In the fiscal years ended September 30, 1929, earnings of Imperial Tobacco were $5,862,208 or the equivalent, after payment of preferred dividends, of 59 cents a share on the common as compared with total dividend disbursements of 40 cents. These were the highest earnings ever reported by the company.

Imperial Tobacco shares have been noteworthy for their market stability in the past twelve months. The stock has ranged between 10¾ and 9½ and are currently quoted around the latter figure on the Montreal Curb Market. The shares are listed on no less than 12 recognized exchanges or curb markets.

TELEPHONE CALLS INCREASE RAPIDLY RECORD REVEALS

Were 1,340,000 Instruments in Use at End of 1929

There were 2,525,500,000 recorded telephone conversations took place in Canada in 1929 according to the annual telephone statistics report issued this week by the Dominion Bureau of Statistics. This is an increase of over 10 per cent from the 1928 figure and averages about 257 calls per capita. This is a higher average than any other country in the world. Of the total number of calls, 37,851,600 were over long distance.

The number of telephones in Canada at the end of 1929 was placed at 1,399,986 according to the report which is a 4.9 per cent increase over 1928. Canada ranks second in the world on the basis of number of telephones per 100 of population with 14.29 as against 16.3 in the United States (1928 figure). The greatest provincial density is in British Columbia with an average of 21.2 phones per 100 of population. Ontario comes second with 18.9; Saskatchewan third with 13.4; Alberta fourth with 12.4 and Manitoba fifth with 11.9.

Has $291,000,000 Invested

The huge stake that this industry has in Canada is indicated by the amount of capital invested which rose $28,387,000 to a new high mark of $291,598,148 in 1929. Also the 2,415 telephone systems spent in Canada $56,500,000 in 1929, of which $47,634,000 was for operating expenses, $2,096,482 for taxes and $6,828,456 for interest and payments on debentures, loans, etc.

The following tables give leading statistics of the telephone business in Canada during 1929 and also show the distribution of phones by provinces:

Summary of Telephone Statistics of Canada

	Years Ended Dec. 31	
	1929	1928
Capital stock	$98,737,979	$85,913,239
Funded debt	141,205,328	121,528,627
Total capital	234,943,307	207,441,866
Cost of prop. & equip.	291,589,148	263,201,651
Income	65,240,610	61,791,333
Expenditures	56,559,517	51,542,544
Net income	8,681,093	10,248,789
Salaries & wages (1)	31,672,277	28,501,378
No. of employees	27,459	24,373
No. of telephone systems	2,415	2,447
Pole line mileage (2)	220,525	207,566
Wire mileage	4,476,213	3,982,867
Telephones, number	1,399,986	1,334,534
Telephones per 100 population	14.29	13.82
Miles of wire per 100 population	45.69	41.24
Miles of wire per telephone	3.19	2.99
Miles of wire per mile of pole line (2)	20.29	19.2

DISTRIBUTION OF TELEPHONES BY PROVINCES

	No. of Systems	Number of Telephones				
		Business	Residence	Rural	Public Pay	Total
Prince Edward Island	45	989	1,444	4,062	58	6,553
Nova Scotia	251	10,374	21,791	11,452	958	44,575
New Brunswick	30	8,408	17,154	7,791	557	33,910
Quebec	196	89,164	167,447	29,842	6,900	293,353
Ontario	599	153,348	336,989	119,137	10,106	619,580
Manitoba	29	22,452	39,466	15,416	1,945	79,279
Saskatchewan	1,200	19,569	22,663	73,810	425	116,467
Alberta	58	23,126	34,809	21,508	830	80,273
British Columbia	11	38,988	82,123	3,613	1,137	125,861
Yukon Territory	1	......	115	20	......	135
Total, 1929	2,415	366,418	724,001	286,651	22,916	1,399,986
1928	2,447	345,771	684,820	280,878	23,065	1,334,534

Canada's Interest In World Problems

A Discussion of World Affairs and How They Now Touch Canada's Problems

By GRANT BROWN, of H. G. Stanton & Co., Toronto

Editor's Note—Business recovery in Canada will be substantially influenced by conditions in other parts of the world. Beginning with the article below, The Financial Post will publish a series of five articles on world affairs in relation to Canadian recovery. They have been written by an economic student with an historical background, Grant Brown, formerly of the staff of the University of Toronto, now a partner of H. G. Stanton & Company, members, Toronto Stock Exchange, Toronto.

The purpose of this series on "Canada and the Outside World," is to call attention to the intimate connection of trade and industry in Canada with the outside world and to examine certain aspects of foreign affairs in relaion to our industrial recovery. Mr. Brown disclaims any title to expert knowledge of foreign affairs, but he feels strongly that any survey of conditions here should take into account the international situation in its relation to Canada. The articles will cover these topics:

I. Great Britain.
II. Continental Europe.
III. Russia.
IV. The United States.
V. The Gold Problem.

ARTICLE ONE: GREAT BRITAIN

It seems natural enough for those dwelling on this continent to adopt the traditional American policy and, in seeking to avoid foreign entanglements, as George Washington prudently advised, to ignore the rest of the world. That such a policy is no longer possible even for the United States became painfully apparent in the world war and continues to be obvious to those who watch the vain attempts of the United States to avoid the sequel (witness war debts, Kellogg peace pacts, disarmament conferences and the rest.)

For Canada even to dream of such a policy of attempted isolation is still more obviously futile when we look at the figures of Canada's export trade. That a nation which exports so large a proportion of her total production should attempt to ignore her customers is manifestly poor business. Self-interest, of itself, would suggest a careful attempt to study customers and to estimate the danger from competitors. No survey of Canadian industrial conditions and prospects can be complete without an examination of Canada's relationship to the outside world.

Influence of Europe on Canada

How is Europe in the near future likely to react on Canadian industry? Such a question can only be answered after a careful survey of European conditions. Four questions seem to be of major importance.

(1) The industrial and political outlook of Great Britain,
(2) the prospects for recovery in Germany,
(3) the position of France with special reference to her huge gold holdings,
(4) the possibility of national rivalries in Europe culminating in war.

The problem of Russia will be given separate treatment.

British Problem One of Unemployment

The basic problem of Great Britain is unemployment. Imperial Conferences or Indian Round Tables can only divert attention momentarily from that vital issue. Is English industry to be permanently burdened with payments to more than two million unemployed? Will the figure continue to grow? And, if so, how long can the burden be borne, or are there any signs of relief?

That the figure has increased by more than a million in the last year, despite the efforts of a Labour Government pledged to relieve unemployment is discouraging, though less discouraging, perhaps, if we remember that in 1930 Great Britain's individual problem has been greatly aggravated by world-wide depression, which has meant that England's best customers have lost much of their purchasing power. Depression in Europe affects about a third of British export trade; disturbances in Asia and the fall in the price of silver—Asia's chief measure of value—affect about a fifth; high tariffs and depression in North America threaten nearly an eighth (13%); an eleventh approximately suffers in depressed South America; a tenth in Australia and the Pacific, and so on.

It would seem to follow that improvement in almost any part of the world might be expected to broaden British markets and so to give some relief to British unemployment. Moreover in regard to unemployment statistics, it might be pointed out that a figure of two millions or more receiving unemployment relief does not mean a standing army of two millions, unemployed and largely unemployable. It is a constantly shifting army; so that the situation, though bad enough, is not so disastrous as it might appear on the surface.

Heavy Industries Suffer Badly

On the other hand, one of the worst features of the situation is apparent in the relative severity of unemployment in certain industries. For coal mining, iron and steel, engineering and shipbuilding, cotton, woollen and worsted, the figures seem to reveal something like a progressive deterioration. Nor has the development of more favoured or newer activities compensated for depression in England's major industries. Additional complications, too, may arise in the near future from labor troubles now coming to a head in coal mining, in railroading and in the textile industry.

A recent critic (Round Table Quarterly, December), claims that much of the blame for British unemployment properly rests with artificial restrictions imposed by trade unions. "Immobility and lack of adaptability in her labor force have been perhaps the most powerful single cause of large scale unemployment so as to enable England to compete more successfully in the world's markets. This could be achieved partly by the removal of certain restrictions on labor and partly by lightening the burdens imposed by taxation on industry. A thorough reform of the Unemployment Insurance Fund (alias the "dole") is implied.

A great reduction of national expenditure in other directions is necessary.

National Works Programme Is Urged

A national programme of useful public works, including afforestation, reclamation of waste land, the abolition of slums, etc., is advocated by other critics. (Here the difficulty seems to be that heavy national expenditure on public works not immediately productive would involve further increases of taxation and hence make it harder for English industry to meet foreign competition.) Failing the adoption of such remedies, the most that can be hoped for is some relief through the progress of newer industries (rayon, electrical equipment, etc.) or the reorganization of older ones, and, in due course, a partial revival of British trade consequent on improvement in England's foreign markets. Profound believers in the efficacy of tariffs might add "tariff reform," or some variety of imperial preference to the remedies suggested.

Labor Government Survives, Conservatives Divided

Whether, under present political conditions, the more drastic suggestions are feasible or probable is, to say the least, doubtful. While the present Labor administration has unquestionably lost ground through its failures to lessen unemployment, it still survives by the grace of God and the Liberal party; and while it retains office, a policy of strict retrenchment and complete reform of the "dole" seems too much to expect—in spite of the reference of the whole question to a Royal Commission. The Conservative party suffers from divided counsels and lack of strong leadership. Lloyd George, as always, is ready with a panacea; but the British nation is far from willing to trust so versatile a physician.

Accordingly, for the time being, political uncertainty complicates the industrial situation. The present state of party politics offers little hope of guidance out of the industrial morass. Private initiative, the tendency towards cyclical recovery, and perhaps the traditional British gift for "muddling through" seem more likely to furnish at least temporary alleviation.

Some Prospect for Solution of India Problem

The problem of India is closely related to British unemployment. A happy solution would end the Indian boycott on British goods, while a prolonged struggle, whatever the outcome, could hardly fail to injure both British trade and British credit. The Round Table Conference has made an unexpectedly good beginning thanks to the readiness of the native princes to assent to federal union. Mr. Churchill's characteristically vigorous protest against a policy of concession seems to have aroused little response in England, and the view that nothing is to be gained by a policy of force seems to be widely held. At the moment, the chief menace to the success of the conference seems to be disagreement between Hindus and Moslems. A united India might possibly obtain Dominion status from Parliament; but with a prospect of internal dissensions, it would be extremely difficult to persuade English legislators to hand over control to warring factions. Much, therefore, both for India and for English industry depends on a solution of the present difficulties.

While Great Britain has many other problems, both economic and political,—among them imperial preference—these two, unemployment and India, seem to be of outstanding importance in this connection, in view of their far-reaching economic potentialities. Substantial progress toward the solution of either problem would considerably brighten the outlook both for Great Britain and for those who trade with her.

The next article will deal with Continental Europe and its affairs in relation to Canada.

Canadian Tube and Steel Expand Electric Steel Process

From Our Own Correspondent

MONTREAL.—Perfection of an electric steel making process will decrease extensively Canada's dependence on other countries for steel. This is the claim put forth by Canadian Tube and Steel Products, of Montreal, which states that the process will enable it to eliminate entirely the purchase of steel billets and steel wire rods, a large proportion of which were imported in the past from the United States and Europe for the manufacture of its finished products.

The first electric furnace was put into operation by Canadian Tube and Steel Products in November, 1929, and in the first year of operation 20,000 tons of high grade electric steel were produced successfully. A second furnace was started up in November last. Both furnaces are standard equipment of the Heroult type, made in Canada.

Canadian Tube and Steel Products is putting in operation early this year a new rod mill for making wire rods, which embodies several new and important features. It will be equipped throughout with roller bearings, which are calculated to permit greater accuracy in rolling, an unusual feature of mills of the proposed type.

HAMILTON BRIDGE DIRECTORS TO MEET

Likely That Dividend Policy Will be Taken Under Consideration

From Our Own Correspondent

MONTREAL.—A meeting of directors of Hamilton Bridge Co. is expected to take place on January 16 when it is likely that the company's policy as regards common stock dividends will be discussed. At present, the shares are on a $2 basis, and at current levels of around 17 give a return of over 11 per cent.

The company issued a report covering six months operations to June 30, 1930, which were the last earnings figures published. The income and surplus account for that period showed a net operating profit of $181,497 as compared with $254,530 in the first six months of 1929.

Income From Western Bridge

To this, however, was added income from investments and profits attributable to operation of its subsidiary Western Bridge Co. which brought net profits for the period up to $247,606 as against $260,976 in the first half of the preceding year. Before making provision for depreciation and income tax earnings in the first half of 1930 were equal to $1.74 a share on the common.

During the past year the company completed a large contract in the form of fabrication and erection of steel work for the Canadian Bank of Commerce head office building in Toronto. Work secured in later months of 1930 include a $300,000 contract from the T. and N. O. Railway for fabrication of steel to be used in a bridge on the Moose River. Western Bridge Co. was awarded an order in November for construction of a bridge across False Creek in Vancouver. The order, estimated at around $600,000, was shared jointly with Dominion Bridge Co.

Earnings of Hamilton Bridge Co. in 1929 were equal to $4.07 a share on the common stock after all deductions. The stock has fluctuated considerably in the past twelve months and sold as high as 38½ in 1930.

Public Utility Earnings

Can. Western Natural Gas

November—	1930 $	1929 $
Oper. revenue	216,250	193,063
Oper. expense	122,565	110,953
Net oper. rev.	93,684	82,110
Non-oper. rev.	8,962	9,601
Gross income	102,647	91,712
Net income	97,867	87,050

Beware Over-estimates Of Oil Royalty Values

Better Business Bureau of Toronto Points Out Dangers of Buying on Little Information—Royalties Offered Here for Twice Price in Oklahoma

Thousands of Canadians, who have been offered oil royalty interests covering producing and non-producing property in various oil-bearing sections of the United States, will be interested in a bulletin which has just been prepared by the Better Business Bureau of Toronto to inform the public on the subject.

This bulletin starts with a definition: "Oil royalties are payments, made by the operator, to the owner of oil and gas rights. These payments, representing a definite share of the production, are made in the form of oil delivered to a pipe line or tank or its equivalent cash value as may be stipulated in the operating lease."

In further explanation of the business which has grown up in buying and selling oil royalty interests, the bulletin proceeds:

"A man in Oklahoma owns a farm of 160 acres. Geologists, representing an oil company, recommend that the property might produce oil.

"The oil company agrees to take all the chances by paying all the operating expenses in return for seven-eights of the gross revenue from the sale of all oil produced on the property, and the farm owner agrees to accept as his share one-eighth of the gross revenue free from all operating or other expenses. This one-eighth interest commonly represents what is called an 'oil royalty.'

Assessing Royalty Values

"This farm owner may sell his one-eighth interest or any part of it. If he sells one-half of his interest it means that the purchaser is the owner of 'eighty royalty acres.' This in turn means that the owner of eighty royalty acres is entitled to one-sixteenth of the gross revenue from oil produced on the 160 acre farm, just as the purchaser of one royalty acre is entitled to 1/160th of one-eighth of such gross revenue.

"Carrying this a little further, the owner of one royalty acre is entitled to the gross revenue from the sale of one barrel of oil for every 1,280 barrels produced on the 160 acres.

"The average price of oil produced in Oklahoma is approximately $1.50 per barrel.

"If you purchase one royalty acre of this farm for $6,000 then the 160 acre farm must produce over five million barrels of oil (5,120,000 to be exact) in order to return your capital.

"If you are to receive gross profits or dividends of 100 per cent on your investment over a period of years (say 10 per cent per annum for ten years) then the 160 acre farm must produce over ten million barrels of oil (10,240,000 barrels).

Fashions in Swindling

"There are fashions in swindling just as there are changes in styles.

"A prevalent fashion in this line is for an oil royalty salesman to increase the estimate of production by promising huge returns to prospective purchasers. By noting the example mentioned above you will observe that:

"1. To make your oil royalty purchase worth $6,000 per royalty acre without provision for any interest, the 160 acre farm must produce five million barrels (5,120,000 barrels).

"2. To make your purchase worth $6,000 per royalty acre plus 10 per cent per annum dividend for ten years, the 160 acre farm must produce over ten million barrels (10,240,000 barrels).

"3. To make your purchase worth $6,000 per royalty plus 20 per cent per annum dividends for ten years the 160 acre farm must produce over fifteen million barrels (15,360,000 barrels).

"Thus you will see that for every 1 per cent per annum extra dividend promised by the salesman, he is automatically promising an extra production of over one-half million barrels (512,000 barrels) . . . .

Distant Fields Look Green

"We use a ten-year period in discussing this matter because a prominent oil man has said that 'The average life of an oil well is eight years, and one-half of the production takes place during the first year.'

"In striking this eight-year average the long-lifed Pennsylvania wells have been considered, as well as the short-lifed western and mid-continent wells. Oklahoma is in the mid-continent area.

"This brings to mind the fact that an oil royalty on a producing farm is a wasting asset and the earned revenue is bound to be greater during the early period of production.

"Of course, there is also 'proration' to be considered, that is, temporary curtailment of production by mutual agreement, which would affect immediate revenues from producing property. . . .

"We know that some oil royalties on producing properties have been offered in Toronto recently at almost double the price at which the same royalties can be purchased in Oklahoma.

"This would seem to indicate that some Toronto royalty salesmen estimate the ultimate production of their particular property at nearly double the estimate of the royalty owners who live in Oklahoma, and many of the latter have lived in Oklahoma for a long time."

Java Buys Dried Apples

Dehydrated apples shipped from British Columbia to Batavia, Java, have given such satisfaction that another order for three times the original quantity has been booked. The apples are shipped in five pound tins.

Inter. Proprietaries Had Splendid Year

Results of 1930 operations of International Proprietaries Limited have been entirely satisfactory, according to Harold F. Ritchie, president, who has just returned from an extended visit to London. Mr. Ritchie reports that the two companies controlled by International Proprietaries, J. C. Eno and The Thermogene Co., made excellent progress during the year, with the distribution of products maintained in remarkable fashion, accompanied by decreased operating costs.

It is the plan of J. C. Eno to install manufacturing plants in five or six countries where heavy distribution of Eno's "Fruit Salt" is now made. This decision arises out of the satisfactory results from the operations of the Buffalo plant. This plant, completed in July, 1929, operated throughout the whole of 1930 and the saving in freight and duty has been a considerable factor in influencing the J. C. Eno directors in their new decision. This extension of the company's activities will be carried out immediately.

Mr. Ritchie expressed the utmost confidence in the future of International Proprietaries Limited and its controlled companies.

Avalon Telephone Adds To Number of Subscribers

From Our Own Correspondent

MONTREAL.—Avalon Telephone Co. carried out expansion in 1930 which added about 570 subscribers to its circuit. The total number of telephones now in operation approximates 7,500. Earnings for the first nine months of 1930 amounted to $98,888 as compared with twelve month earnings of $117,421 in 1929.

Avalon Telephone Co., as its name implies, confines its activities largely to serving St. John's and the peninsula of Avalon in Newfoundland, but it is reported that the company will extend its system to embrace a wider territory in the comparatively near future.

Already the company serves a population of about 100,000 and in 1930 the number of calls handled exceeded 16,000,000 or some 2,000,000 more than in 1929. An issue of $750,000 of 5½ per cent first mortgage bonds was made in July, 1930, supplanting a former issue of $380,500 6 per cent bonds and an issue of 136,300 5½ per cent debentures.

Eastern Car Secures Large Order From C.N.R.

From Our Own Correspondent

MONTREAL. — Orders valued at about $3,000,000 have been placed with the Eastern Car Co. by the Canadian National Railways. The order comprises 500 composite general service cars and 500 70-ton composite drop-end gondolas. The steel will be supplied from the Trenton steel plant and the order executed at Trenton.

It is also reported that the Trenton plant will build 100 box cars for the Canadian Pacific Railway, and will also supply some refrigerator cars for the C. N. R. About 700 men who have been idle will be immediately re-employed by Eastern Car Co., a subsidiary of Dominion Steel and Coal Corp.

B. C. Electric Appliance Sales Off in November

From Our Own Correspondent

MONTREAL.—British Columbia Electric Railway Co. sold 1,293 electric appliances in November, 1930, as compared with 1,966 appliances in the same month in 1929. The equivalent in kw. connected, however, showed an increase at 836.45 kw. as against 830.67 kw. for November 1929. Sales in October were 1,694 as opposed to 1,982 in the same month in the previous year. The connected equivalent was 877.70 kw. against 1,234.62.

Gas appliance sales in November totalled $18,334 as compared with $29,341 in October. Estimated annual revenue from gas appliances was $7,468. Revenue from October appliance sales was estimated at $10,152.

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